Foundations of organizational moral climate theory

◙ mapping and analyzing the territory ◙

Hans Bennink

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Le mal n'est pas créé par nous or pas les autres, il naît dans ce tissue que nous avons filé entre nous, et qui nous étouffe.

Maurice Merleau-Ponty

Man is an animal suspended in webs of significance he himself has spun.

Clifford Geertz

There were three of us this morning
I'm the only one this evening
but I must go on;
the frontiers are my prison.

Leonard Cohen

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Foundations of organizational moral climate theory

mapping and analyzing the territory

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Preface

Perhaps the main concern regarding writing a dissertation is surviving it. Numerous perils threaten the innocent researcher, including developments within the field of inquiry, unforeseen life-events, and the daily pressures of the current job. Educating business students in a greedy institution is a good distracter of scientific activity. However, it also offers opportunities for trying out new ideas, approaches, models, and instruments. Sideline activities such as editing the professional journal *Supervisie & Coaching* and its predecessor *Supervisie in opleiding en beroep* guarantee a busy agenda, but keep the author keen when it comes down to helping others getting their articles published.
It is a common experience that researchers are their own worst enemy. Scientific activities easily tend to get out of hand, for instance, because research areas are inclined to develop, and authors on the research subject are not disposed to stop publishing until your dissertation is finished. Furthermore, it may take some time to discover the true nature of alleged side-roads, due to the character of scientific enterprise: shooting at disguised moving targets.

What scientists keeps moving, is the pursuit of a personal Holy Grail, the discovery putting everything upside down, the insight explaining everything, the solution to all problems and some more. The Holy Grail is not only the dish to collect the blood of Jesus, it is also about finding extra-terrestrial forms of life, making gold, boosting happiness, brewing the life elixir, preventing and curing moral illnesses, constructing the perpetuum mobile, reinventing the mammoth, the taming of the shrew, or drawing the quadrature of the circle. In its most pertinent form, science is reducing complexity to make it manageable by formulating the right questions. In its dramatic form, it resembles hunting a chimera that allegedly has abducted some Dulcinea.
Boldness and eagerness combined with vanity and blind spots characterize scientists on their quest to realize their dream, both helped and bridled by the rules of scientific discipline. My Holy Grail was the construction of a theoretical sound and practically useful moral climate theory that can explain the nature of organizational morality and helps developing it, inspired particularly by Lawrence Kohlberg's theory of cognitive moral development.

The approach I propose in the present study has its origins in a promising thought that crossed my mind a long time ago. In the early Eighties, I was studying Lawrence Kohlberg's theory of cognitive moral development and was caught by it, because of its well-wrought character, and because of its established theoretical and practical fruitfulness. More specific, I became interested in its moral atmosphere elaboration, as the sociological dimension needed to meet the criticism of being a pure individualistic theory with little reference to environmental influences.
When I started lecturing business ethics at the end of the decade, the introduction of Kohlberg's theory into this discipline turned out to be a fruitful application and extension to me. When corporate social responsibility turned into an established topic, the moral characteristics of the organization became an important variable to reckon with, based on the assumption that many organizations are not ready for programs of corporate social responsibility because morality at the shop floor does not satisfy the demands of those programs.

My central claim is that Kohlberg's theory of individual cognitive moral development and of organizational moral atmosphere offers a fruitful approach of organizational morality. For instance, this theory could possibly explain why many business ethics interventions, such as codes and ethical training - mostly one size fits all fashioned instead of tailor-made - were hazardous and turned out to be either wasted efforts or missed opportunities, or both. It could also explain the relative ineffectiveness of mergers and take-over, OD-trajectories, HR-practices and corporate social responsibility efforts. Furthermore, Kohlberg's theory could probably show us the way to more effective business ethics intervention programs, aiming at understanding and reducing antisocial behavior in organizations as well as implementing strategies of corporate social responsibility. That part of the organizational configuration denoted as normative structure, moral atmosphere, moral climate, ethical climate, climate regarding ethics, (procedural) justice climate, moral ethos, or moral culture could be an explaining factor for the occurrence of (certain types) of (un)ethical or (anti)social behavior among employees. For corporate social responsibility as a strategic orientation to mean more than stalwart boardroom talk prone to window dressing, these noble ideas need support among employees and require a certain type of moral atmosphere, moral climate (or under whatever label it is arranged), in order to be effective. An ethical organization should entail more than covering boardroom walls with paintings expressing brotherhood.
In short, the assumption to be investigated in the present study is embodied in the claim that Kohlbergian theory is an appropriate if not solid base for moral climate theory that makes moral climate theory not just another phlogiston affair (the invisible gas produced upon combustion soon found not only to be invisible but also non-existent).
Soon I learned two things: my promising thought was not as original as I hoped it was - a common disappointment among scientists - , though little literature was written about the subject at that moment. This was a nice incidental circumstance, suggesting that I had to reckon with only few competitors on the yard. However, the small body of knowledge at that time implied little hold for thorough research designs and little opportunity for academic discussion. This situation did not last very long. During the Nineties and thereafter, a vast amount of contributions to moral climate theory saw the light of day. I examined about three hundred contributions to moral climate theory in terms of a format explained in the first part of the main text. The middle part of the main text contains the findings of the reviews. The concluding part of the main text consists of my proposal for an integrative theory of moral climate, based on both the strengths of the findings and their shortcomings, while hoping to avoid stepping on too many toes and as well as surviving the criticisms.
The term 'main text' implies 'other texts. On the CD-ROM that accompanies the printed matter, a review of nearly all contributions to moral climate theory can be found. These reviews consist of a representation of the contents of the contribution, mostly in the own words of the author(s), for proper and unbiased understanding, and a discussion of the contents in terms of (elements) of the format described in the main text.

Doing meta-analysis carries the temptation within it to focus on inadequacies rather than on merits. Therefore, I offer my apologies to all those authors who feel done wrong because of my overenthusiastic hole picking, especially when they are criticized beyond their own pretensions

and ambitions. Please accept my criticism as caring for the noble cause of business ethics. Nevertheless, the measuring rod is rather strict and built upon criteria concerning theoretical and practical development. At the heart of the criticism lie both a deep respect for all who conducted academic research on their best premises and a concern for quality of business ethics research, theory construction, and practice.
The population of authors who's contributions were examined, turned out to be very diverse, from seasoned ethicists, via organizational scientists to organizational consultants trying to get a piece of a fruitful pie. Since the nature of the research approach used – multidisciplinary focused foundational inquiry – demands addressing the authors who contributors are observed closely in order to invite them to join the debates, theoretical excursions are included to elucidate those issues considered asking for it. These issues are taken from different academic corners not every reader is expected to be familiar with. This course of action runs a double risk. On the one hand, not every addressee will be happy with these elaborations (for instance, concerning ethics theory or elements of organizational theory). However, these elaborations have a clear function in constructing the argument, and I would regret readers giving up because of lacking information. On the other hand, there is the risk of oversimplification of matters in the eyes of experts in the field. I hope to have found a satisfying middle position, avoiding both underexposing issues and unnecessary details.

Finally, one of the functions of prefaces is expressing gratitude to those who helped me during the process of researching and writing and making apologies to all who suffered from it.
René ten Bos, I thank you for stimulating assistance during the final parts of the writing process.
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Numerous generations of students who read one or sometimes two of the many editions of the workbook *Ethiek in arbeidsorganisaties*, I hope to have opened your eyes for an interesting organizational phenomenon - moral climate -, and apologize for having not always been the most accessible author to read..
Evie van Weij, my wife, and Lotte and Geert, my children, I thank you for trying to understand my personal quest, and, at times, being my audience for premature accounts of the subject matter.

Hans Bennink

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Chapter 1 Introduction to the study of organizational moral climate

1.1 Introduction and overview

Why consider moral climate and examine about three hundred contributions to organizational moral climate theory[1]? Moral climate has become a key theme in organizational theory and business ethics. It helps understanding organizational morality and making organizations morally better. Moral climate theory may also help to prevent organizations from loosing either effectiveness or legitimacy.

Chapter 1 introduces the subject, a proposal for a fruitful approach of moral climate, consisting of clear concepts, distinct typology, proper research methodology, sound criteria for moral climate evaluation, and well-justified and effective programs of intervention. For now, moral climate is **the (more or less) shared style of moral reasoning in organizations (or their formal or informal subsystems)**, to be discussed in terms of five issues: conceptual, typological, empirical, evaluative, and interventional issues. These issues are expressed in a number of propositional claims and research questions to be addressed. Through these claims and the answers to the research questions, I will defend my preferred approach to the moral climate phenomenon – foundational inquiry – and substantiate why this approach does meet the criteria for a fruitful moral climate theory, and why other approaches more or less fail to do so, at least, do not succeed in a satisfying way. In the next part of chapter 1, moral climate theory is posited as an element of business ethics as an emergent discipline. The chapter closes with a specification of the multiple relevance of moral climate theory.

In chapter 2 – on methodology – I promote and explain the method of foundational inquiry as the form of meta-analysis used in the present study to explore and analyze conceptual and empirical contributions to moral climate theory. In this way, the present study essentially is a study of studies. Next, I address the question as to what an appropriate moral climate theory should do, by discussing criteria to evaluate moral climate theories. I also discuss specific difficulties with respect to complex constructs such as moral climate that at least consists of a 'climate' part and a 'moral' part.

Chapter 3 examines the 'climate' part, starting with the finding that the organizational culture construct that also emphasizes moral elements ('core values') is not a promising candidate for capturing organizational morality and neither is organizational climate. A substantial part of this chapter consists of the implications of culture and climate concepts for moral climate theory, more in particular the empirical, evaluative, and interventional implications of these concepts.

In chapter 4, I elaborate the 'moral' part of moral climate, by discussing four main strategies of moral position taking, and their mutual relationships. One possible relationship is considering these strategies from a developmental point of view, as does Kohlberg in his cognitive developmental theory of morality. Because the theory of Kohlberg on individual moral development plays an important role throughout this study, a synopsis of this theory is included in the presentation of the format, including a discussion of its controversies, insofar as these are relevant to moral climate theory. As will become clear from examining a large amount of

contributions to moral climate theory, a substantial part of these studies directly or indirectly take Kohlberg's theory as their point of departure, either by staying close to it, or abandoning one or more of its essential characteristics.
Chapter 5 starts with a surface description of the research population in terms of type of text, year of publication, author background, and genealogy. It also contains the results of the foundational inquiry. The complete overview of the analyzed texts can be found on the CD-ROM that accompanies the printed part of the present study. Chapter 5 also contains the outcomes of foundational analysis concerning positions, their foundations, and their justifications.
In chapter, 6, the present state of the art is formulated in terms of development of the area as well as an outline of an alternative moral climate theory, illustrated with an elaborated example, *The Crowned Everyone* case.
The concluding chapter 7 draws up the balances with regard to the research questions and claims formulated in chapter 1, discusses limitations of the present study, and offers suggestions for a research agenda.

1.2 Issues, propositional claims, and research questions

Beginning and end of the enterprise undertaken in this study are the practices of institutionalizing ethics in organizations, as part and parcel of implementation strategies of corporate social responsibility, to counteract antisocial behavior among employees, promote organizational effectiveness, employee job satisfaction, commitment, prevent unwanted turnover, or otherwise. Essentially, moral climate theory – either in a n=1 formula or with a broader range – should contribute to a better understanding of organizational morality and should foster effective implementation of programs aiming at enhancing organizational morality (understood as reducing unethical behavior and promoting ethical behavior). An important issue concerns the connection between the normative aspects of moral climate theory and the organizational context – political, social, economic influences, type of industry, profit, not-for-profit, governmental, non-governmental – in which the theory should function fruitfully. Organizations have tasks and assignments that may ask for a minimum level of moral reasoning, but apart from matching, actual moral reasoning may move beyond this level or stay behind, at the expense of either being ineffective or losing legitimacy. Concepts such as 'moral climate' are supposed and meant to have a guiding function in preparing and carrying out those practices. Moral climate theory - as part of business ethics - is ultimately evaluated for its practical relevance. Moral climate intervention (preventing regression, consolidating, strengthening, or developing an actually existing moral climate) asks for substantiated methods of intervention, sound criteria for moral climate evaluation, proper empirical methods for moral climate research and assessment, and a valid concept and possibly a valid typology of moral climate types, profiles, or configurations.

1.2.1 Issues

A sound approach of moral climate theory should explain what kind of phenomenon moral

climate is. It conceptualizes the relevant types of moral climate (existing as well as desired), and tells us how can they be distinguished and measured, how they can and should be evaluated, and how consolidation (within a developmental stage) and development to a desired stage can and should be fostered. In these formulations, the main issues of moral climate theory are indicated in their essentials: conceptual, typological, empirical, evaluative, and interventional issues. Before entering the premises of moral climate theory, a brief indication of the structure of the approach chosen in terms of these five issues, my propositional claims and the research questions following from these claims are presented.

- **Conceptual** issues. What kind of phenomenon is a moral climate?
- **Typological** issues. Based on which distinctions are moral climate types classified and are typologies constructed?
- **Empirical** issues. How can moral climate be known (after having determined what we are looking for)?
- **Evaluative** issues. In terms of which criteria can be determined and justified if a certain moral climate is preferable (to other moral climates)?
- **Interventional** issues. What are the most appropriate ways for moral climate intervention, based on a person-situation interaction perspective?[2]

These five issues serve as the areas of a road map that will be addressed throughout this study. This road map shows two tracks, the first of which is a conceptual inquiry aimed at clarifying the characteristics of moral climate. Since moral climate theory is not my personal invention, but is favored by numerous adepts, the second track describes the results of a foundational inquiry into a large amount of contributions to moral climate theory. As will become clear in the subsequent chapters, contributions to moral climate theory are not always explicit concerning all of these five issues. Not every author gives directions for moral climate interventions, criteria for moral climate evaluation may remain implicit, while not every author has carried out moral climate research or has given methodological suggestions for moral climate research. The typological issue can be seen as a specification of the conceptual issue (though not every author has constructed a typology). However, authors of moral climate literature can and do take explicit or implicit positions with respect to these five issues that may or may not be manifested in debates in journal columns, conferences, or elsewhere. These positions serve as the foundations of their specific moral climate theory and can be examined and scrutinized. These issues are elaborated into a format for reviewing moral climate literature, to be described and discussed in more detail in chapter 2.

The two tracks go together in the first two chapters, and then split, as in chapters 3 and 4 the foundations of the climate part and the moral part discussed, respectively. In chapter 5, the findings are presented from both the examination of about 300 contributions to moral climate theory. The purpose of the discussion of these contributions is showing to which degree they meet the criteria of a valid and useful moral climate theory, and what are the consequences when these criteria are not met fully. In chapter 6, the two tracks meet again, resulting in the

presentation of an outline of what I consider to be an appropriate approach to moral climate, conceptually, typologically, empirically, evaluative and interventional. The proposed typology is explained in detail (as "thick descriptions") and illustrated with an elaborated example ("*The Crowned Everyman"* case).
In the subsequent paragraphs, claims are defended regarding the five issues introduced above - not meant to be the full-term argumentation that renders further reading of the other chapters redundant - but to give a reasoned indication of the perspective on moral climate favored in the present study.

What then, is this 'something' that influences individual and collective moral reasoning (both content and form) and behaving in organizations? Nearly impenetrable terminological brushwood plays tricks upon us. Of course, it was Chester Barnard (1938, 272-273, 279), who amply wrote about the complex moral factor in management, the variety of ethical standards, formal and informal organization codes, personal morality, possible tensions between these forms of guidance, and the function of leaders in creating organizational morality. However, there are more early texts on the subject. In early– well-nigh neglected – contributions on the theme, Basil S. Georgopoulos (1957; 1965) discussed *normative structure* variables, that is, the set of norms (not specified in ethical and non-ethical norms) influencing the functioning of organizations. This normative structure considers norms from a non-content perspective while looking at its structural characteristics (1965, 155-156):

(1) *internal normative consistency*, or the extent of similarity between "prevailing" and corresponding "desired" norms in the system
(2) *normative consensus*, or the degree of group agreement characteristic of various norms
(3) *normative complementarity*, or the extent to which the expectations of interacting groups about norms that involve their relationships are similar or complementary
(4) *normative congruence*, or the extent of similarity between the "generalized" and the corresponding "individual" aspects of norms
(5) *normative member –activeness*, or the degree to which group members can influence the norms.

Georgopoulos considers normative structure as both a property of the social system and a part of the experience of the experience of members. As we will see in the subsequent chapters, the themes identified by Georgopoulos - degree of acceptance, mutual compatibility, relative salience, relation to organizational effectiveness, and openness to change - are also recognized and explored by other authors.
From a more general perspective, Harré (1983, 219) argued that different "moral orders" in the social environment activate different forms of moral judgment. A moral order is an organized "system of rights, obligations and duties in a society, together with the criteria by which people and their activities are valued". Different aspects of our social worlds are guided by different rule systems, roles, and expectations for appropriate behavior, a thought to be explored in this study when looking at the morality of organizations within institutional fields.

During the last forty years, many authors have developed a special interest in the moral relevant aspects of conducting business, organizing, and management. The results of these efforts were embodied in a promising number of publications on 'moral atmospheres', 'ethical (work)

climates', 'moral ethos', 'moral culture', '(organizational) ethical culture', 'moral climates', '(procedural) justice climates', and 'climate regarding ethics'. This variety of terms may be a symptom of underlying conceptual diversity and requires a reflection on the concept of concept. This involves question including:

- What is a concept and which types of concept can be distinguished?
- Which functions and pretensions does a concept have?
- How rigid, precise, and explicit can and need concepts be defined?
- What are the contours of a concept in terms of range and depth?

These questions are addressed briefly and answered for moral climate theory. In a very general meaning, a concept is a word (or a combination of words) trying to catch the defining characteristics of some phenomenon in reality while differentiating it from other phenomena. In a "Wiener Kreis-like" fashion, a concept can be regarded as the sum of meanings of empirical data and applied properly as the user knows the conditions under which the concept can be applied correctly (see, for instance, Hospers, 1967, 101-113, for an introductory discussion of this issue). However, as it seems, things are more complicated, as was even recognized within the Wiener Kreis (for instance, by Carnap, 1956).

To start with, several types of concepts can be distinguished, notably *philosophical* (such as category, synthesis, reality, or time) and *scientific* concepts (such as role set, job satisfaction, climate, status, society, or market). For one part, moral climate is a scientific concept that can be measured in research, for another part, moral climate is philosophical concept consisting of strategies of moral justification. Taken together, moral climate is a composite scientific concept designed for empirical (description, explanation, prediction) and practical purposes (evaluation and intervention).[3] Furthermore, a distinction is made between concepts labeling *categories* or classes or phenomena (for instance, organization, political system) and concepts labeling *dimensions* of phenomena (for instance, aspects of culture, facets of personality) (Hage, 1972, 9). Concerning moral climate theory, the focus is on the dimensions and aspects of moral climate, though it also compared with similar categories, notably organizational culture.

Concerning the ways concepts function, terminological and conceptual matters can be best described in terms of masks and mirrors. As is a well-know nomological phenomenon in the social sciences, a specific term may have a diversity of referents in reality, whereas different terms may refer to the same (kind of) phenomenon in reality. As will be explained in chapter 3, from the perspective of moral climate theory, this especially concerns the concepts of climate and culture, and controversies within the climate concept. In chapter 4, various concepts concerning "moral" and their possible relations pass in revue.

There is no straight solution for the masks and mirrors issue. König's (1963, 35) "law of constancy" or "law of consistency" – use equal concepts for equal observational complex – does not help too much. It fosters the rigidity of concepts and diminishes the sensitivity of researchers for variations and changes in reality. There should always be openness in meaning, contrary to Hempel's (1965, 41) criterion of inter-subjective certifiability, requiring that the terms used in formulating scientific statements have clearly specified meanings and be understood in the same sense by all using them. Therefore, not surprisingly, concepts are labels with contents more or less agreed upon (in academic or other circles), and hence subject to extensions, revisions and

amendments. Concept development may indeed have its adventurous features during processes of nomadic wandering through rhizome-like fields of meaning (Deleuze& Guattari, 1976; 1991), as the cover painting *The Hunt in the Forest* (1460) by Paolo Uccello (1397-1475) symbolizes. Despite its tentative and provisional nature, a concept functions as a signpost to reality, as a searchlight illuminating that part of reality it wants to put a meaning on in terms of a cluster of defining characteristics. Concepts also have a systematizing function in arranging empirical material into theoretical propositions. This refers to the persistent issue in science that concepts are difficult to translate to empirical findings, while much empirical findings are devoid of theoretical significance (Bendix, 1963, 532).

To make things more complicated, concepts cannot be but theory-laden with implicit theory; it does not matter whether they are taken from ordinary language or are postulated in scientific discourse terms. Implicit meanings and connotations should be explicated, since, as Bendix (1963, 532, 533) puts it, a concept is a generalization in disguise, especially composite concepts (of which moral climate is a fine example). Put in slightly different terms (to illustrate the matter by itself), a concept is a miniature theory (Koningsveld, 1976, 134-135), not because of its scope, but because its shorthand character, as will be explained below.

Concerning their function, the claim of Bendix (1963, 532, 533, 537) that concepts need to be applicable universally may seem rather demanding. However, in the case of moral climate it may hold true, since there is no organization without a moral climate. Moral climate is a universal concept with prospects. Through comparative analysis, organizations can be compared regarding their moral climate, provided that there is a validated instrument to make comparison possible. Organizations can be contrasted by showing their moral climate (profile), based on a cluster of attributes that distinguishes one moral climate type from another. The visibility of an organizational moral climate can be increased by comparing it with another in terms of these attributes. These attributes may be thought of in terms of pattern variables in ways similar to those formulated by Talcott Parsons. Pattern variables point at possible orientations for solving problems. The scheme of pattern variables consists of series of dichotomies, one side of which must be chosen by an actor before to determinate the meaning of a situation in order to act with respect to that situation. In this respect, orientation and situation, subject and object and their classification are the core of the pattern variable scheme (Parsons & Shills, 1951, 77).

Although Parsons says that there are many more possibilities, in general, five pattern variables are mentioned

- the gratification-discipline dilemma: affectivity versus affective-neutrality
- the private versus collective interest dilemma: self-orientation versus collectivity orientation
- types of value-orientation standard: universalism versus particularism
- achievement versus ascriptive role behavior: quality versus performance
- specificity versus diffuseness: direction at aspects or direction at totality of object (for instance, roles)

Though these pattern variables have a moral impact, they cannot be straightly used in moral climate theory. However, there may be pattern variables as attributes of moral climate type, as we will see in chapter 6 (though we will not use the term pattern variable because of its Parsonian connotations). A moral climate type (or profile) can be considered as an organizational pattern of moral problem solving.

How rigid, precise, and explicit can and need concepts be defined? Dumont and Wilson (1967, 986, 987, 989, 994-995) propose a distinction along a criterion of explicitness between implicit theory, theory sketch, and explicit theory. An implicit theory consists of abstract isolated ill-defined concepts with no definitive rationale for indicators. Explicated concepts could help transform the implicit theory about this 'something' that influences individual and collective moral reasoning and behaving into a sketch theory by clarifying and validating the assumptions inherent in the vague pre-systematic use. Shortsightedness and prejudice should be avoided as much as possible, while nomadic wandering should be encouraged. On its turn, a theoretical sketch consists of concepts with epistemic and constitutive *connections* and a provisory rationale for *indicators*. The theoretical sketch can be transformed into an explicit theory by formulating propositions to fill in the sketch and hence improve its descriptive, explanatory, and predictive import. An explicit theory consists of explicated - through meaning analysis and empirical analysis - concepts with epistemic and constitutive significance with a rationale for indicators. Epistemic significance means that concepts are connected, either directly or indirectly, with observables. Constitutive significance implies that the concept enters into a sufficient number of relations with other terms of the postulated theoretical network and hence contributes to the explanation and prediction of observables (Dumont & Wilson, 1967, 987).

This terminology also applies to the moral climate concept. There are numerous explicit moral climate theories and concepts, though with no point of triangulation yet, in any respect. Therefore, moral climate as a concept is considered as a theoretical sketch with a promissory status and potential significance because of its epistemic and constitutive connections (formulated in chapters 5 and 6 in terms of hypotheses). For communicative purposes, a tentative working definition is welcome for marking off, confining and focusing, and of course, describing, measuring, and analyzing the phenomenon to be inspected. Of course, a working definition is not sufficient to capture the rich and complex ideas contained in a specific scientific construct and may even be hazardous because of its temptation to jump to conclusions and preventing the examination of other perspectives with an open mind. One might even advocate some ambiguity in concepts to allow its users the flexibility to adapt these concepts to specific situations and to prevent theoretical foreclosure (Hartmann, 1973, 72; Osigweh, 1989, 580). The alternative, no working definition, is as laborious and intricate as putting together the jigsaw pieces found in an old box in the attic, without knowing what it should represent, whether it is complete, or even knowing whether pieces of different puzzles were collected in that box[4]. Therefore, a provisional image of moral climate is constructed that, indeed, reflects some of the conclusions of this project.

Concerning the issue of the concept of concept, a final remark needs to be regarding the comprehensiveness of concepts. When concepts are signposts to certain phenomena in reality, what is on the signpost is decisive. To be sure, "comprehensive" does not mean all embracing or all including. Considered as (provisory and tentative) shorthand theories, concepts may contain specific conjectures about connections and relations of dependency or influence (Hartmann, 1973, 76).

A concept thought of as a preliminary or miniature theory telling a story implies an indication of which factors are relevant in the application of the concept and which are not. The meaning of a concept is situated in its ramifications and its connections with other concepts and marks out the

domain to which it can be applied. Concepts organize a chaos of impressions, but wrap up at the same time (Koningsveld, 1976, 134, 135, 137). For this reason, concepts can and will never be all-including, though their scope can be indicated by determining the limits of a particular concept, while recognizing that these limits may not be constant. Drawing the limits to strict may exclude important features of a phenomenon, while drawing the lines too wide may lead to unclear concepts. In fact, when a concept is taken as a miniature theory, all features of constructing and testing theories apply to concepts as well (as will be addressed in chapter 2).
At this point, we encounter of the issue of the contours of a concept in terms of depth (vertical comprehensiveness) and range (horizontal comprehensives) (Hartmann, 1972, 81). Depth refers to the richness of the specificities of a concept in terms of its constituting parts and level of description (in chapter 2 discussed in terms of "thick descriptions"). Moral climate can be described in terms of its essentials, notably the dominant style of moral reasoning. However, this feature can be described only superficially, or in more detail, thus enriching its intension. When horizontal comprehensiveness does not mean all including, its range (scope or extension) should be determined, not by fixing conceptual boundaries, but be deciding which elements are included and which are not. In particular, this can be done by not focusing on moral climate as such, but include antecedents and consequences of moral climate and in a nomadic manner use auxiliary concepts from other theories as connectivities to arrive at a more comprehensive (horizontal, but eventually vertical as well) conceptualizations of moral climate (Hartmann, 1972, 82-83). In the present study, this course of action is favored, as will become clear in subsequent parts of this chapter and in chapter 6. At that point, the rhizome like meaning of moral climate reaches its fullest meaning. In its ideal form, the construction of comprehensive moral climate theory can be imagined as described by thriller author Ross MacDonald in one of his Lew Archer stories (*The Goodbye Look*, 1969/1971, 201, Dutch translation) as a film of a collapsing building played backwards. In line with the rhizome idea, there could be an infinite number of buildings to be (re)constructed.

Having explored the concept of concept issue, we will now return to the moral climate concept. The term 'moral climate' as a descriptive term comes nearest to what I have in mind for two reasons. It stays closest to the Kohlbergian notion of cognitive moral development, whereas climate can be seen as an aspect of culture as a more general notion of "the way we do things around here" (a theme to be discussed in chapter 3). In chapter 6, conclusions will be drawn regarding the other terms used in moral climate theory and research.
Concerning its definition, for this moment, 'moral climate' can tentatively be described in terms of 'collectively shared styles of moral reasoning', 'current collective moral maps', 'collective moral consciousness', 'generalized patterns of collective moral argumentation and collective moral beliefs'[5], more or less agreed upon, and observable in everyday organizational behavior (speaking and acting). 'Moral climate' conceptualizes the moral space in organizations in which more or less fixed patterns of moral discourse on how act to act morally have settled. 'Moral climate' both offers and limits possibilities to identify, acknowledge, discuss, analyze and resolve (types of) moral issues in organizations, includes and excludes, and prioritizes stakeholder interests and claims. When speaking about the possibility of moral climate types, every type of moral climate in its own way should frame and specify the field of moral discourse[6].

Throughout the present study, I differentiate between:

- *'moral climate'* as the general notion
- *'moral climate type'* as a part of a moral climate typology (consisting of systematically categorized types)
- '*moral climate profile'* as the actually found either pure or composite moral climate of an organization (either its "trees" and "grapevines", that is, formal or informal subsystems, or its supra-systems)
- '*moral climate configuration'* as the typical cluster of moral climate and other organizational variables (including environment characteristics, strategy, technology, structure, culture, and other climate aspects such as safety, service, learning, diversity, et cetera)[7]
- *'moral climate rhizome'* as the sum of possible connections between aspects of moral climate, including antecedents and consequences.

Throughout the present study, the term *configuration* - in fact borrowed from anthropologist Ruth Benedict[8] and management scientist Henry Mintzberg - is used to denote any multidimensional constellation of conceptually distinct characteristics that commonly occur together in to a unique pattern (Benedict, 1934). However, Mintzberg's idea behind configurational thought is that, despite the presence of numerous dimensions of environments, industries, technologies, strategies, structures, cultures, ideologies, procedures, and practices that can be clustered in literally infinite compositions, the potential variety is limited by the tendency of conjoint attributes to fall into coherent patterns since these attributes are in fact interdependent (Meyer, Tsui & Hinings, 1993, 1175-1176).

A final remark is made with regard to one possible misunderstanding of the term 'moral climate'. The adjective 'moral' is not meant as an evaluative term, implying that only certain climates could deserve the predicate 'moral', whereas others better be called immoral climates. Instead, I propose to use the term moral climate descriptively, to indicate the way (the lack of) morality in organizations is anchored 'climatologically'. To decide whether one moral climate type or profile is more moral than other moral climate types or profiles, we need additional criteria (as is indicated below and discussed in the next chapter). Exactly for this reason, the suggestion of Cohen (1993; 1995) to distinguish between descriptive use (moral climate) and evaluative use (ethical climate) is troublesome because of the lack of clear evaluative criterion, though a difference in terminology might be helpful, as was recognized as well by Morris (1997) who did adopt Cohen's distinction. Having said this, we can turn now to a brief overview of conceptual, typological, empirical, evaluative, and interventional issues.

❖ Conceptual issues

The first and most important issue concerns conceptualizing moral climate: climate or culture, the meaning of 'climate' and 'moral' in 'moral climate', and level and unit of analysis.

- *Climate or culture?*

A preliminary question is why we cannot be satisfied with the organizational climate and the organizational culture constructs as pathways to get hold on organizational morality. Why

constructing moral climate theory, when we already have substantial insights from organizational culture and organizational climate theory at our disposal? One might even claim that appropriate theories of organizational culture and climate - conceptualizing and understanding the moral aspects of organizational decision-making properly and fruitfully - make moral climate theory redundant. However, as it seems, both approaches are not as strong as moral climate theory when it comes down to conceptualizing organizational morality. The situation is complicated by the fact that climate theory and culture theory form two distinct but conceptually interrelated traditions, a good reason to address the climate-culture controversy. Theories of organizational culture generally do address (core) values, but mostly not from a moral perspective. This feature makes them bad candidates for giving a detailed account of organizational morality. Yet, the organizational culture construct offers many suggestions for culture research and culture interventions that may be helpful in constructing the body of knowledge of moral climate theory. On their turn, theories of organizational climate generally lack explicit moral connotations, but can help us to capture the 'climate part' of 'moral climate', as we shall explore below. Before doing so, we will examine the 'moral part' 'of moral climate', concerning the conception of *moral).*

- *The moral part of moral climate*

To start with the 'moral part' of the issue, moral climate in its descriptive meaning is about prevailing strategies of moral argumentation. This descriptive meaning should be sharply distinguished from an evaluative meaning stating that a moral climate is a climate that is high in morality. For a moral climate theory to be informative, it should cover and examine the current and relevant strategies of moral argumentation, their inherent strengths and weaknesses and areas of tension and conflict, as well as the loci of reference considering moral decision-making[9]. Since not all contributors to moral climate theory are schooled ethicists, the question is not only whether relevant strategies of moral argumentation are considered properly in theories of moral climate - no relevant strategies neglected - but also, whether ethical theories that lie at the heart of moral argumentation are represented correctly, and understood and applied well. Inadequate theoretical models may lead to blind spots when used to consider organizational morality, while incorrect application of ethics theory may lead to conceptually invalid conclusions. Concerning the locus of reference, it is not sufficient to consider the individual, the local, and the cosmopolitan level, as do Victor and Cullen (1987; 1988) in their typology of ethical work climates. Instead, more levels need to be included, while relevant stakeholder categories (both direct and indirect) should be identified on each of these levels, both from a formal and a material perspective (Mitchell, Agle & Wood, 1997). Moral reasoning (moral decision-making and moral action) is always about something, about some issue, and every issue whatsoever is about (conflicting) interests and claims of actual and potential stakeholders (people and groups that are affected by the organization in one way or the other) that fall within the moral horizon or are morally excluded (Jones, Felps & Bigley, 2007).

- *The 'climate part' of moral climate*

Concerning the 'climate part' of the issue, the situation is even more complicated. Here, two themes must be distinguished appropriately: the attribute-perception issue (a), and the actor-structure issue (b), to be addressed here separately. The first theme relates to empirical issues, as

we will see below, whereas the second theme relates to interventional issues.

(a) The moral climate construct advocated in the present study refers to an interpreted suprapersonal attribute of an organization (or a formal or informal subsystem) concerning the dominant mode of moral reasoning that can be perceived more or less appropriately to the degree that the perceivers are skilled in moral climate observation. This refers to the scientific realistic position advocating the view that a moral climate really exist, is not just a bunch of aggregated experiences, but is a moral fact in social reality in a sense put forward by, among others, the French sociologist Durkheim. Moral climate is a phenomenon that exists apart from perceptions of individuals (that is, exists not only in their heads and through their perceptions). Moral climate is a social fact for every member of the organization to take into account, to comply with, to make a stand against, or to run away from. Moral climate is both a function and an outcome of other organizational parameters as well as an influencing factor by itself because of its implicit ideological features, worldview, and image of organization[10]. Moral climates become visible in the artifacts (such as formal structure, rewarding systems), and organizational as well as psychological outcomes (job satisfaction, unethical behavior, commitment, turnover, absenteeism).

By doing so, I take a stance in the attribute – perceptions debate that emerged in the early Seventies. This debate (represented in chapter 2) showed that the organizational climate paradigm contains two positions, labeled the organizational *attribute* position and the aggregated *perceptions* position, respectively. The organizational attribute position I advocate has the better credentials when compared to the aggregated perceptions position, for two reasons. The first reason is that any perception always is a perception of *something*. Of course, this 'something', its causes and its consequences, can be known through perceptions, but my concern goes out to the 'something' instead of accidental and casual perceptions of it[11]. Perceptions can and will be biased, due to unreliable perceivers and affected by the positions from which they perceive. Private interests and the perceiver's level of moral development may prevent an accurate perception and understanding of (moral) climate. The degree of accuracy of this perception and validity of interpretation largely depends on observer qualities. These qualities include perspective taking competence, abstraction competence, generalization competence, moral sensitivity, and hence, individual cognitive moral competence of the observer. Observer qualities thus influence and possibly limit the validity of moral climate research that uses self-reporting techniques or survey questionnaires. The pity of it is that many contributions to moral climate theory take the perceptions position as their point of departure, building their findings upon the perceptions of questionable respondents. Conceiving moral climate as an organizational attribute asks for an empirical approach that goes beyond self-reporting quantitative surveys. Essentially, it is about taking the most promising pathways to get to know this 'something', as will become clear when discussing empirical issues.

(b) The moral climate approach advocated in the present study also takes a stance in the person-situation interaction debate. Business ethics researchers discuss to as to whether unethical decision-making and behavior are more a function of "bad apples" or of "bad barrels" (Treviño & Youngblood, 1990, 378; Kish-Gephart, Harrison & Treviño, 2010). According to the bad apples position, organizational unethical behavior can be attributed to the personal characteristics of individuals, such as low level of cognitive moral development or economic value orientation.

In contrast, the bad barrels positions points to the primacy of organizational and societal variables in influencing the unethical decisions and behaviors of organizational members. That is, something in the organizational environment poisons otherwise good apples. Affecting factors include competitive pressure, management's focus on results, the lack of reinforcement of ethical behavior or rewards for unethical behavior, requests from authority figures to behave unethically, and peer behavior.

Some moral climate types may be bad barrels causing unethical behavior by or may have become a bad barrel because of bad apples. From a person-situation interaction model, neither an undersocialized view of individuals acting in isolation nor the oversocialized view of individuals obeying to norms and culture correctly explains (un)ethical behavior. According to Brass, Butterfield & Skaggs (1998, 14-15), characteristics of moral issues interact with individual and organizational attributes in influencing ethical decision-making, though not for all moral climates in the same manner. Though this point of view may identify important elements explaining unethical behavior, the focus on individual and organizational/societal attributes may lead to neglecting an important additional consideration of relationships among actors to explain the dynamical aspects of the formation, maintenance, or development of moral climates.

It is expected that the *structuration theory* of Giddens as an integrative meta-theoretical device will offer an important understanding of the innate complexity of this person-situation interaction in organizations[12], whereas everyday formal and informal, both spoken and written conversation may turn out to be the essential mechanism in climate formation, maintenance, change, development, and decline. Instead of considering person and situation as a dichotomy, Giddens (1979, 5) offers a "duality of structure" as a sensitizing device, by which he means

> "the essential recursiveness of social life, as constituted in social practices: structure is both medium and outcome of the reproduction of practices. Structure enters simultaneously into the constitution of the agent and social practices, and exists in the generating moments of this constitution".

Structure constrains and enables human action, but also results from and changes through action (both intentionally and unintentionally), in generating moments that can be found within the ongoing system of rules, norms, practices, and resources, the characteristics of which are created by and inherited from prior social activity (Giddens, 1984, 26).

Heracleous and Hendry (2000, 1253, 1258) expand the structuration theory of Giddens with a linguistic turn by focusing on discourse, viewed as a duality constituted by two dynamically interrelated levels: the surface level of communicative actions and the deeper level of discursive structural properties, recursively linked through the modality of reflexive actors' interpretive schemes[13]. In this view, discourse and language have a central role as the process and carrier of arriving at shared understanding in the creation and maintenance of organizational structures in a way that was not central to the work of Giddens, though he did pay some attention to it. Discourse is what actors are able to talk about and in what manner of guise they are able to talk about it while displaying ideological aspects in the social positioning of actors furthering their interests within structures of signification, domination, and legitimization. Actors know in their practical consciousness that specific modes of discourse must be employed in particular contexts in order to for their opinions, ideas, or argumentations to be seen as legitimate and worth the attention (Giddens, 1979, 44, 73, 190-193). Of course, this includes moral argumentation within a moral climate with a structure of dominant strategies of moral argumentation. At the

communicative level, discourse consists of situated symbolic action, speech acts drawing from (organizational and/or societal) structures of signification through actors' interpretative schemes deployed by these actors to pursue their perceived interests in that particular context, signification itself arising, reproduced, and changed because of communicative interaction within settings of practical actions. At the structural level, there are deep discursive and social structures, stable, largely implicit, and continually recurring processes, patterns and interpretation schemes underlying and guiding surface, observable events, and actions while being linked to power relationships, ideologies, and institutions. In structuration theory, these deep structures are both the medium and outcome of communicative interactions (Heracleous & Hendry, 2000, 1265-1268). Potential foci for discourse and conversation analysis[14] might include what is said, and what does the communicative action intend to accomplish? How can contextual knowledge inform discourse analysis? What does discourse reveal about its context? What constructions and evaluations does discourse implicitly promote? How do these discursive constructions relate to context? What is happening at a deeper level? (Heracleous & Marshak, 2004, 1288-129). Moreover, which role does power play in moral position-taking? Of special importance for moral climate theory is thinking in terms of collective cognitive schemes, psychological frames proving the cognitive structuring necessary for actors to construct workable cognitive maps of the world, both descriptive and prescriptive.

This means that in moral climate research, analysis of discourse and conversation should be the methodological direction if structuration theory is taken seriously (Heracleous & Hendry, 2000, 1271). In chapter 6, this perspective is resumed and considered for its practical use in moral climate research. Though in extant moral climate research, sometimes is referred to the theory of Giddens, it is never used in a methodological elaboration. This means that special attention must be paid to the way researchers not using structuralist notions as a meta-perspective deal with the level and unit of analysis", for instance, in terms of a "bad apples", "bad barrels", or even "bad orchards".

- *Level and unit of analysis*

A special issue concerns the level and unit of analysis of the moral climate construct. A unit of analysis is the class of objects that is the explanatory focus of an investigation, whereas the level of analysis refers to the size and type of unit associated with a particular measured variable, theoretical construct, or overall analysis (Glick, 1990, 18-19). The unit of analysis indicates of what entity the moral climate is the moral climate. Is the moral climate conceived as the moral climate of a formal or an informal group (such as a miscellaneous group of employees taking a break in an lounge), a team, a work unit, a department, a whole organization, an entire concern, a branch of industry, a production-distribution chain, a strategic alliance, a region, society at large, or supra-national entities such as the European Community or OPEC? The answer to this question has important consequences for conducting moral climate research, for instance, in research avoiding asking people more than they can possibly know by addressing the proper level of analysis.

As has been put forward above, the term 'moral climate' refers to the (more or less) shared style of moral reasoning in organizations or its formal or informal subsystems. Though this formulation primarily seems to focus on organizations as a whole, organizations may and will

consist of larger or smaller formal subsystems (departments, units, workgroups, or branches) that may have a particular moral climate of their own, matching or not matching the moral climate of other formal subsystems of the organization. When taking the whole organization as the unit of analysis, it may happen that functional domains or units with specific tasks and assignments (such as Research and Development, the sales department, or production departments) or formal groups at certain layers (professionals, managers) within the organization turn out to have a moral climate of their own[15]. By implication, this means that within organizations different sub-climates exist (Higgins & Gordon, 1984; Sinclair, 1993; Weber, 1995; Weber & Seger, 2002). On their turn, larger organizations within a division structure (large retailers, hotel chains, or organizations that have several regional locations) will tend to uniform divisions in as many respects as possible, including their moral climate. However, due to contingent factors, this uniformity may not be realized, possibly leaving the divisions with various moral climates. The issue that many organizations are far from monolithic has been recognized in organizational culture theory in terms of subcultures and countercultures (for instance, Sackmann, 1992; Turner, 1971). Some aspects of culture are present throughout an entire organization, while other aspects are present only in one or some parts of an organization. Just as important is the question as to why subcultures do emerge and what triggers them to emerge.

Subcultures may interlock, overlap, partly coincide, and even conflict. They may be strong, pervasive, and controlling, or on the contrary, weak and hardly affecting behavior. For instance, Siehl and Martin (1984, 53-54) identified three types of subcultures based on differential direction of the culture and labeled these as enhancing, orthogonal, and countercultural:

- Assumptions, beliefs, and values in *enhancing* subcultures are compatible with and often are stronger and held with more fervor than those in the dominant culture.
- Members of *orthogonal* subcultures accept the basic assumptions of the dominant organizational culture but also hold some that are unique.
- In *countercultures,* people have basic assumptions conflicting with the dominant culture.

Another line of thought is that sub-climates can exist with regard to both "trees" (formal organizational structure as represented in the organization chart, as mentioned above) and "grapevines" (informal groups). It can be thought of that not only formal units (like teams or departments) can have their own moral climate. Informal groups also can have a moral climate of their own. Sayles (1958) distinguishes several types of informal groups that develop out of friendship or around certain issues of common interest. Informal groups can be more or less militant and can operate with or without a policy against management or labor unions. Sayles classified four types of informal groups: strategic groups, apathic groups, erratic groups and conservative groups. Dalton (1959, 57-65) also points at the informal aspects of organizations by distinguishing several types of cliques: vertical symbiotic cliques, vertical parasitic cliques, horizontal defensive cliques, horizontal aggressive cliques, and random cliques[16].

The term "clique" denotes, according to Dalton (1959, 52-53), a small exclusive group of persons with a common interest, it sometimes has the moral overtones of the connotation of a group with questionable activities. Dalton proposes a more neutral use of the term, stressing that cliques are essential for group life and are the initiating nucleus of many group activities in and out of industry. Cliques can have different ends, including increasing the status and rewards of one or all

members, getting more support in job activities, finding social satisfactions, hiding facts or conditions that would be frowned on by superiors, escaping unpleasant situations or annoyances, getting more privileges, especially those peculiar to higher-ups, and sharing the limelight with superiors. Though the analysis of moral climate research revealed little attention to cliques, in the present study the possibility of moral climates within cliques is left open, with the suggestion that different types of cliques can have a corresponding specific moral climate. A captivating question concerns the relation of the moral climates of informal groups to the moral climates of formal units.

It is also possible to look from a macro-perspective at overarching units or entities that may have a so-called supra-climate thus encompassing single organizations (Van Muijen, 1998, 121). When again we take the individual organization as the unit of analysis, a particular moral climate can also be typical of the larger concern that organization is part of. A specific moral climate can also be identified in clusters of organizations such as strategic alliances, specific branches of industry, of governmental organizations in general, or concerted action based on backward or forward vertical integration in production-distribution chains (Abrahamson & Fombrun, 1994; Astley & Van de Ven, 1983; Chatman & Jehn, 1994; Gordon, 1991; Sminia, 1997). Moral supra-cultures can also be found in professional associations such as accountants, physicians, police officers, psychotherapists, or clergymen. These professionals may take their professional moral supra-climate into the organization (Trice, 1993; Van Maanen & Barley, 1984; Van Muijen, 1998, 121). Another important issue is whether the moral climate of an organization reflects moral influences based on national character, national culture, or ethos types from the wider social environment (Halman, 1987; Hampden-Turner & Trompenaars, 1994; Hoffman, 1998; Hofstede, 1984/1991; 1990; 1998; Jaeger, 1986; Van Muijen, 1998, 121; Zijderveld, 1981), particularly developments in the legal domain (Hoekema & Van Manen, 1994). The situation of an entire type of industry may force every firm in that industry into the same moral climate type, for instance because of governmental regulation, or self-regulation, or because of specific economic circumstances affecting each firm in the same way. More in general, this is the question of the influence of context, addressed below in more detail..

In sum, in moral climate research an important issue is the selection of appropriate boundaries of units and subunits in question, these unit boundaries being variable in two important ways: size or inclusiveness, and the particular individuals assigned to a group (Glick, 1980, 21). Based on the above considerations, apart from focusing on moral climate on the organizational level, it can be suggested to investigate the existence of both organizational moral sub-climates (either formal or informal) and supra-cultures in their diversity (as did Kim & Miller, 2008).

❖ Typological issues

Moral climate theory should be a solid base for intervention programs aiming at preventing regression, consolidating and strengthening, or developing the present moral climate. Therefore, a fruitful approach of moral climate theory should formulate criteria to both distinguish relevant moral climate types and establish their relative preference. Kohlberg's stage theory of cognitive moral development offers a valid and useful framework for a moral climate typology, as will be explained below. Though Kohlberg did not develop an own typology of moral climates or moral atmospheres, Kohlberg's theory has shown to be very influential in the development of moral

climate theory.
Remarkably, many (if not nearly all) contributors to moral climate theory are tributary, directly or indirectly, to the work of Kohlberg on individual cognitive moral development. They explain moral climate and similar concepts – ethical (work) climate, moral culture, climate regarding ethics – in terms of (perceptions) of prevailing styles of moral reasoning in (a subsystem, either formal or informal of) an organization. Apart from this extension to moral climate, many researchers have adopted Kohlberg's theory as an important frame of reference to capture moral reasoning of managers and other employees (for instance, Blake & Carroll, 1989; Bommer, Gratto, Granvander & Tuttle, 1987; Elm & Nichols, 1993; Ferrell & Fraedrich, 1994; Francis & Armstrong, 2008; Goolsby & Hunt, 1992; Graham; 1995; Jensen, 2008; Kaptein, 1998; Lemmergaard, 2004; Maclagan, 1990; Martynov, 2009; Snell, 1993; 1996; 2000; Treviño, 1986; Treviño, Weaver & Reynolds, 2006; Weber, 1990; 1993; Weber & Wasieleski, 2001).
Can Kohlbergian theory serve as the foundation of moral climate theory? Despite being a source of inspiration to moral climate researchers and theorists, research efforts have not always been leading to satisfactory results, because of the watering-down of some of its essential elements (as will be demonstrated in the chapter 5). Nevertheless, Kohlberg's theory has a recommended value of its own, despite limitations and objections. These concern the alleged cultural and gender bias, the prevalence of moral regression, the disruptive impact of post-conventional morality, the problematic nature and function of Stage 6[1], the moral evaluation of development, research methodology (the use of hypothetical dilemmas instead of real-life dilemmas), the relationship between thought and action, and the limits of rationality affecting a cognitive approach of morality. As we will see in chapter 5, some of these alleged flaws are not so much shortcomings, but rather are serious misunderstandings by authors confusing moral content and moral form/structure, and moral competence and moral performance or by not reading the most recent formulations of Kohlberg's theory. As I see it, Kohlberg's theory offers the best framework for capturing organizational morality, because of both its well-wrought structure and its extensive empirical testing and confirmation. As Crain (1985, 136) puts it:

> "Nevertheless, whatever criticisms and questions we might have, there is no doubt that Kohlberg's accomplishment is great. He has not just expanded on Piaget's stages of moral judgment but has done so in an inspiring way. He has studied the development of moral reasoning as it might work its way toward the thinking of the great moral philosophers. So, although few people may ever begin to think about moral issues like Socrates, Kant, or Martin Luther King, Kohlberg has nonetheless provided us with a challenging vision of what development might be."

For the most part, real or alleged inadequacies in Kohlbergian theory do not affect its use as a basis for moral climate theory. Yet, some adaptations need to be made for advanced use. It is true that Kohlberg's theory is restricted to moral *reasoning*, at the neglect of moral *awareness*, moral *motivation*, and moral *action*. In its very essence, his theory is a rational reconstruction of the ontogenesis of the structure of justice reasoning (Kohlberg, 1984, 217). Since moral climate theory focuses on collective modes of moral reasoning, this confinement of Kohlberg's stage theory is not detrimental for moral climate theory. This holds also true for Kohlberg's cognitive

1 Throughout this text, the initial letter of the term 'stage' is written in capital when it refers to Kohlberg's theory, as is common in Kohlbergian writings.

approach of morality. Recently, intuitionist approaches emerge, paying attention to uncontrolled, automatic, and emotional aspects of morality, sometimes labeled the ethical impulse perspective, as opposed to the ethical calculus perspective (for instance, Haidt, 2001; Kish-Gephart, Harrison & Treviño, 2010, 22; Sonenshein, 2007). More in general, cognitive approaches of morality can be challenged in texts discussing the relationship between thinking and emotion based on new neurobiological insights (Bargh & Chartrand, 1999; Bargh & Ferguson, 2000; Damasio, 1994; 2000; Reynolds, 2006; Reynolds & Ceranic, 2009). Of course, a theory of intuition could explain the matter, insofar as intuition is considered as recognizing prototypes or patterns in situations asking for ethical choice (judgment, intention, and action, eventually). Again, the cognitive confinement does not hamper the use of Kohlberg's theory of cognitive moral development as a framework for explaining organizational morality, since the theory does not describe actual moral *performance* but tries to reconstruct moral (justice) reasoning *competence*. Recent neurobiological insights could help explain the gap between moral competence and moral performance (as, of course, was already attempted by Freudian psychoanalysis, as well). That people not always judge rationally concerning moral issues is an empirical contingency that researchers should reckon with when choosing research methods in order to capture organizational morality. For instance, they should use self-reporting questionnaires carefully and avoid asking people more than they can know, because of limited moral development, insufficient knowledge of the unit of analysis, or both. They should realize that organizational members are not always reliable respondents to inform researchers about the moral climate of their organization or their department because emotional and/or unconscious elements play tricks upon them.
The gender bias Gilligan claimed to have found in Kohlberg's theory (leading to an extensive 'justice-care debate') can possibly be overcome by giving the ethics of care its proper place within the Kohlbergian framework (as Kohlberg did himself).

However, Kohlberg's stage theory has other, more serious, limitations that may hinder its effective use. These limitations concern the *deontological* (rules and principles based) bias of morality and the absence of a stage that has the organization as its locus of reference. The deontological bias seems to prevent Kohlberg from perceiving appropriately other forms of moral position taking, especially at the conventional level. Therefore, it is argued to include also *teleological* (consequentialist ethics), *axiological* (value ethics) and *aretaic* (virtue ethics) forms of moral position taking into the developmental framework, based on the possibility of branching during development through the conventional level and its constituting stages.
The second limitation concerns the absence of a stage referring to the organizational level, the stage of the organization men and women (Whyte, 1956; discussed by Randall, 1987). Though Kohlberg gave impulses for the conceptualization of an organization-based stage of moral development in his Just Community Approach, it was not included in his theory as a separate stage, despite repeated reports of difficulties with scoring answers in the *Moral Judgment Interview*. However, in his meta-analysis of a large number of research data, Dawson (2002) found further indications for the existence of a separate stage in between Stages 3 and 4, in keeping with earlier assertions by Commons et al (1984; 1998). From the perspective of moral climate theory, the claim is defended (by Snell, 1992 and independently, at that time, by myself) that in our modern Western society, the organization as a referent for morality needs to be included from both a

logical and a sociological point of view. In a society in which labor organizations do not occur, these organizations cannot constitute a referent for moral reasoning. However, in modern societies, nearly any person participates in one or more organizations helping to shape that person's moral character. Therefore, the organizational level cannot be neglected as a referent for moral reasoning. To avoid disrupting Kohlberg's labeling of stages of moral reasoning, the organizational level is labeled Stage 3/4, indicating its position between the group level (Stage 3) and the societal level (Stage 4). Because of the possibility of macroclimates (as an attribute of entire industries or production-distribution chains), the label 3/4+ refers to this level.

An important source of inspiration for moral climate theory could have been Kohlberg's *moral atmosphere theory* that has been developed through projects in schools, prisons, and kibbutzim to elaborate the theory of individual cognitive moral development into a theory of moral development on the organizational level. An important reason for this elaboration was to provide Kohlberg's theory of individual moral development with a sociological dimension, to meet the criticism that his theory was exclusively an individualistic psychological theory, lacking any reference to larger social context that also might influence individual moral reasoning and acting. More in particular, the broadening of attention to moral action (and not only moral reasoning) was an impetus for the development of the moral atmosphere concept. Institutional properties such as the moral atmosphere of the classroom and the prison appeared to be an important dynamic factor in moral education, a factor to be influenced as well, for proper results of moral education programs. This moral atmosphere construct certainly has the advantage of giving a very comprehensive account of organizational morality by using several scales. However, this advantage may easily turn into a serious drawback when the procedures of inquiry are very complicated, time-consuming, and hence expensive. Moreover, these research procedures ask for highly skilled researchers that may not always be available in the context of moral climate research. The final objection is that moral atmosphere theory is constructed with regard to 'inmates', either from schools or kibbutzim, or from prisons, which lack the characteristics of labor organizations, for the most part. These features make moral atmosphere an interesting (because of its elaboration) but problematic (for practical reasons) candidate for useful moral climate theory (as will be discussed in chapters 3 and 4 in more detail). Nevertheless, as can be demonstrated from a genealogical perspective, the moral atmosphere construct it is neglected for the most part.

Instead, other typologies were constructed. The influential Kohlberg based typology advocated by Victor and Cullen (1987; 1988) and their many followers is characterized by a watering-down or even misunderstanding of Kohlbergian insights, as can be seen when examining their proposed typology. On the one hand, their typology misses several climate types because of important loci of analysis lacking (in particular, the organizational perspective, as in Kohlberg's theory of individual cognitive moral development). On the other hand, there appears to some misunderstanding regarding forms of moral position taking. As a result, some moral climate types may be misconceived and research results blurred. Another serious dilution concerns the disappearance of an explicit criterion for moral climate evaluation, making this typology one fit for descriptive use (these issues will be addressed in much detail in the next chapters as well). What remains, is an attempt to save the Kohlbergian legacy and its inherent theoretical and

practical values by adapting it and rounding it up for use as a framework for moral climate theory. The amendments are threefold:
(1) an in-between Stage 3/4 is introduced
(2) the deontological oriented conventional Stages 3, 3/4, and 4 are expanded with teleological, axiological, and aretaic (virtue ethics) forms, labeled as 3D, 3T, 3A, 3V (and so on)
(3) refining its criteria for moral climate evaluation (see below)

This typology then consists of eight theoretically possible moral climate types. This typology consists of, respectively, a climate for punishment (Stage 1), exchange climate (Stage 2), inclusion climate (Stage 3), company climate (Stage 3/4), community climate (Stage 4), social contract climate (Stage 5), universalistic climate (Stage 6), and a spiritual climate (Stage 7). There are possible divergences in Stages 3, 3/4, and 4. This typology will be discussed in much detail in chapter 4, as well as illustrated with an elaborated example. These theoretically distinguished climate *types* can be found in actual organizations in pure as well as mixed moral climate *profiles*. These actual moral climates can be arranged according to their strength. A pure, homogeneous moral climate profile can be called strong and consistent, shared by everybody, and therefore resistant to change in any direction (either regression or development), whereas a mixed or hybrid, heterogeneous moral climate profile will be internally inconsistent, conflict-laden, and weak, that is, prone to change in whatever direction, depending on the circumstances and the type of mix. However, here some cautiousness should be taken care of. A particular organizational moral climate profile may look homogeneous on the department, unit, or informal group level, but may turn out to be heterogeneous when taking the entire organization as the unit of analysis, once differences between units or departments or informal groups occur. That is, whether a moral climate profile is strong or weak depends on the level of analysis. A weak overall moral climate profile may express itself in conflicts between units that have to work together closely (as will be demonstrated in the elaborated vignette in chapter 6).

The final issue to be addressed here concerns the switch from a theory of individuals to a theory of organizations and the meaning of development on both levels. As Kohlberg's theory essentially is a theory about individual cognitive moral development, this issue concerns the correct application of categories of a theory about individual cognitive moral development to organizations. An essential question is here as to how the translation is made of a theory about individuals into an organization theory. Can we make appropriate use of one of the composition models proposed by Chan (1988) who distinguished the additive model, the direct consensus model, the referent-sift consensus model, the dispersion model, or the process model? It is not sufficient to declare that moral development for organizations simply 'parallels' Kohlberg's categorization of the levels of individual moral development (Lemmergaard, 2004, 83), without specifying the meaning of 'parallel'. Of course, one can have recourse to an argumentation from analogy, but this immediately raises the question of similarities and differences (not unlike the conceptual issues involved in talking about 'learning organizations'). My proposal here is to solve the issue by claiming that moral climate (in its diversity of stages) is about modes of moral argumentation that are dominant in an organization, inclusive the possibility of sub-climates (of formal and informal subsystems) and supra-climates (of overarching entities such as industries of

production-distribution chains). Just as individuals can favor certain modes of moral argumentation, so can people in organizations adhere to modes of argumentation they accept freely, feel obliged to or even forced to use as the most current one (this is the parallel).

A related issue concerns the relationship between the logic on the organizational level and the logic of individual moral development. From a development perspective, there are serious differences that cohere with the level of individual moral development. For instance, when a moral climate in an organization (or one of its formal and informal subsystems) predominantly shows features of Stage 2 moral reasoning, from a developmental perspective the organization need not pass through stages three and four, but can 'immediately' emerge as a Stage 4 organization (or subsystem), assumed that its members are in Stage 4. That is, development of moral climate finds both possibilities and boundaries in individual development.

❖ **Empirical issues**

Empirical issues are about the way moral climate is assessed, design, research strategy, instruments used, methods of data analysis and representation. Concerning these empirical issues, two points of department are important, first of which is the research model of Babbie (2007, 108), represented in figure 1 below. The second point of department concerns the assumption that the quality of research results can be no better than the theoretical considerations underlying the data collection and the methods derived from the theoretical approach, as theories defines frameworks for methods, methods determine conditions for concrete research operations (Randall & Gibson, 1990, 468-469; Tischer, Meyer, Wodak & Vetter, 2000, 13).

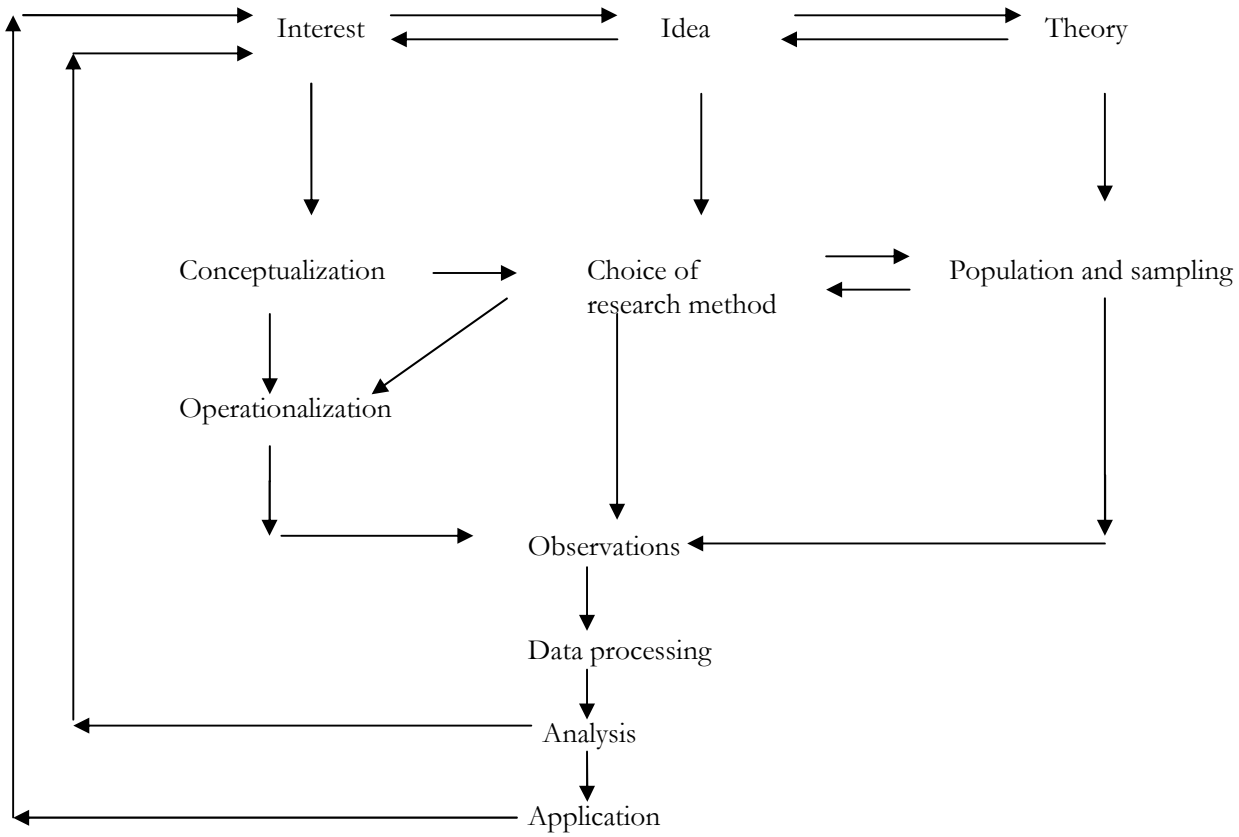

Figure 1: Research model adapted from Babbie (2007, 108).

Randall and Gibson (1990, 458) picture a rather tarnished image of the methodological qualities of business ethics research. Their review revealed that full methodological detail was provided in less than one-half of the 94 articles making up their database. The majority of empirical research articles expressed no concern for the reliability or validity of measures, were characterized by low response rates, used convenience samples, and did not offer a theoretic framework, hypotheses, or a definition of ethics. In their review, while using the model of Babbie, guiding questions included: Was there a theory presented? Were hypotheses specified? Were key constructs clearly defined? Were the instruments used to measure the key constructs reliable and valid? Were the instruments pretested? What research design was selected? How was the sample selected? Did the researchers seek to generalize to a larger population? What observation techniques were used? What statistical techniques were used to analyze the data? Will moral climate research better meet the criteria than the articles from the database of Randall and Gibson did, or are the foundations of moral climate research even shakier, perhaps due to the inadequate or even misleading knowledge of ethics theory Derry and Green (1989) complain about in their review of business ethics textbooks?

Since quality of research can be rated, it is tempting to formulate criteria to assess methodological quality and levels of evidence of research results, as did Ariëns et al (2000, 8-9) and De Lange et al (2003, 284-386) for longitudinal research. These levels of evidence include:

(1) *strong evidence* (consistent findings in multiple high quality cohort or case-referent studies;

(2) *moderate evidence* (consistent findings in multiple cohort or case-referent studies of which only one study was of high quality);

(3) *some evidence* (findings of one cohort or case-referent study of which at least one study was of high quality);

(4) *inconclusive evidence* (all other cases: consistent findings in multiple low quality cross-sectional studies, or inconsistent findings in multiple studies, or findings of only one cross-sectional study, irrespective of the quality of that study).

A high quality study was defined as a study that scored positively on at least 50% of the assessment criteria to measure methodological quality. This list includes five categories concerning information, validity, and precision (purpose of the study, study population, exposure measurements, outcome measurements, and analysis and data presentation) (Ariëns et al, 2000, 9).

De Lange et al (2003, 284-285) applied five criteria for evaluating methodological quality of longitudinal research, including type of design, length of time lags, quality of measures, method of (statistical) analysis, and non-response analysis. When focusing on design, causal patterns (normal causal, reversed causal, or reciprocal causal) can be identified only when there is a statistically significant association between variable x and y, the causal variable x precedes the effect variable y in time, the association between x and y is not due to third (intervening) variables, and there is a plausible theoretical argument for the relationship between x and y. While ignoring the issue of time lags (because of the absence of longitudinal moral climate research), issues of measurement may be important, notably, when surveys turn out to be biased because of self-report bias (including elite bias and social desirability bias). Research has better methodological qualities to the degree that these biases are counteracted (for instance, by triangulation, as is discussed in chapter 2, and in detail in note 25). Methods of analysis can be

threefold, including correlational research, multiple regression, and structural equation modeling (SEM), preferably the last two mentioned. Finally, quality of research can be improved by analyzing non-response properly.

Concerning the scoring of research characteristics in the reviews of contributions to moral climate theory, the initial idea to include an indication of the research rigor (Filley & House, 1969, 41-49) of the contribution has been dropped since nearly all of the empirical contributions fall into the same category (either d or e, with some exceptions falling into h, see below). In other words, research rigor is not a distinguishing characteristic, which most likely is due to problems of getting access to organizations and the difficulty if not impossibility of carrying out experiments because variables cannot be controlled, or undertake longitudinal studies because of their time and money consuming nature. Furthermore, the point system favors quantitative research while denying that qualitative case studies may show considerable scientific rigor (though these were largely underrepresented in the present study). However, if one wishes to determine the level of research rigor, the point system of Filley and House (adapted by Hellriegel & Slocum, 1974, 258) can be used: (a) authoritative opinion, (1 point), (b) case study (2 points), (c) normative history (3 points), (d) polling survey (6 points), (e) analytical survey without an experimental variable (7 points), (f) longitudinal study in which the variables are not within the control of the researcher (8 points), (g) experimental study in which the variables, once-introduced, are not within the control of the researcher (9 points), (h) laboratory experimentation (12 points), (i) controlled field experimentation (13 points). In some instances, the assigned points need to be interpreted with caution since two studies with the same point rating might differ substantially in terms of the care and sophistication with which the particular research was carried out.

Concerning data processing and analysis, Weber (1992, 151-152) points at the possibility of sophisticated statistical analysis used for its own sake, and of researchers entangled in a "statistic technique" race in competition with other researchers. The hypothesis can be formulated that in case of sloppy concepts, researchers might even use sophisticated statistical analysis to cover up conceptual flaws ("tickling and squeezing, or even torturing the data until they confess"). In the examination of about 300 contributions to moral climate theory, the use of statistical procedures over time can be considered, for instance the use of multivariate statistics and the measures mention above (SEM).

However, based on the second point of view, the emphasis will be on the theoretic framework and the concepts it organizes, its soundness, fruitfulness, and proper representation of theoretic framework of other authors (as was discussed in the conceptual issues part). Therefore, in these paragraphs, empirical issues concern mainly methodological questions regarding research designs (including population and sampling decisions concerning design and size) (a) and preferred research approaches and method(s) (b), and not so much analytic techniques for data processing and analysis.

(a) Describing an organization's moral climate or moral climate profile is one thing, explaining why this (type of) moral climate occurs in this organization, another, and predicting the consequences of moral climate (such as all kinds of organizational outcomes) yet another thing. One the one side, moral climate research is informative and fruitful to the degree that relationships between prevailing styles of moral reasoning and external and internal

organizational variables - environmental and situational contingencies, as well as technological, strategic, structural, cultural variables - are explored and help to explain why this moral climate (type) and not another, occurs in a given organization. Context, defined as situational opportunities and constraints affecting the occurrence and meaning of organizational behavior as well as functional relationships between variables (Johns, 2006, 386), is an important but often underappreciated or even neglected issue in research, in particular in moral climate research (as chapter 5 shows). Context can be viewed as the salience of situational features that can either reinforce or countervail each other. Context can hence be a configuration of bundles of stimuli, either as situational strength or weakness, providing opportunities or constraints to organizational behavior (including moral climate), with cross-level effects in which situational variables at one level of analysis affect variables at another level. Context can also be a constant factor explaining continuity in organizational phenomena, in any case as a shaper of meaning. If we do not consider context, it may be hard to understand organization-situation interactions, curvilinear effects, whereas context explains causal directions and variation in research findings (Johns, 2006, 387-389, 397, 398)[17].

On the other side, guided by specific interests and purposes, moral climate theory can be informative and fruitful in explaining - for instance - unethical behavior or (lack of) job satisfaction and organizational commitment or flaws in product or service quality. When constructing a research design, an important decision concerns the type of variable moral climate will be in this design, independent, independent, moderating, or mediating (discussed in chapter 2). As will be demonstrated in the chapters 3 and 4, research taking up moral climate as a dependent variable has greater explanatory power than research considering moral climate as an independent variable (that may appear tautological and circular though adequately predicting organizational outcomes).

(b) Concerning the research methods, both quantitative and qualitative methods can be used and are used in moral climate research, depending on positions taking with regard to conceptual issues described above. For instance, a perceptions approach will probably lead to surveys and questionnaires. With regard to moral climate research, an insider point of view may be inappropriate because of possible bias due to observer and/or respondent behavior. When moral climate is understood as an attribute of an organization (or its formal and informal subsystems), a simple survey for respondents to complete may lead to disappointing results, due to the forms of bias mentioned earlier. Moral climate research should diagnose the moral qualities of the organization, and this can perhaps even better done from an outsider point of view. However, since information from and about organizational members can also be of crucial interest for proper diagnosis and understanding, multiple methods should be used to arrive at a valid diagnosis of an organization's moral climate. Therefore, to arrive at valid and useful findings, I advocate triangulation of research methods, that is, legitimately combining both quantitative and qualitative approaches (discussed in chapter 2, note 25).

Furthermore, depending on the research purposes, moral climate can be investigated more or less deeply and more or less accurately. For a moral climate quick scan, a simple version of the Moral Climate Questionnaire presented to key informants may be sufficient when superficial impressions will do and no intentions for generalization of results exist (n=1 theory about that particular organization). This simple version of the MCQ can even be adapted to the

particularities of that organization (linguistic usage, type of examples given, specification of question to research population). For more profound research questions aiming at generalizable knowledge - for instance, comparative research investigating differences between departments, branches, and types of organizations or even organizations from different industries - , moral climate can be measured accurately with an extended version of the Moral Climate Questionnaire. If possible, and depending on the research questions, this MCQ can be combined with interviews and participant observation (and other qualitative methods, such as discourse/conversation analysis), as well as other instruments when related to other variables (depending on the desired kind of information and type of decision to be made based on this information). It may be informative, though time consuming and expensive, to measure also level and stage of cognitive moral development of those involved (managers, subordinates, CEO's), by using either Kohlberg's *Moral Judgment Interview* (MJI) (or one of its adaptations) or Rest's *Defining Issues Test (*DIT*)*. Furthermore, Kohlberg's moral atmosphere approach offers instruments to measure several aspects of moral atmosphere. However, these instruments may too time-consuming and too demanding to use by not-so-skilled researchers (the 1987 scoring manual contains 977 pages, Colby & Kohlberg, 1987b).
In the next chapter, the discussion of empirical issues is continued by examining criteria for theory evaluation. Suggestions will be given to make the research approach chosen match the moral climate that is expected to be present in the organization under investigation and to deal with the type of responsiveness that is inherent to specific moral climate types (since research is seldom without impact on respondents).

Finally, a special point of attention in moral climate research should be the person of the researcher, this researcher's knowledge, research motives and interests, level of moral development, typical image of organizations ('theory of the firm'), as well as personal idiosyncrasies. For instance, researchers who are afraid of conflicts may neglect the discordant aspects of moral climates (Devereux, 1967). The moral convictions and points of view of researchers may also affect the approach and the proceedings of their research. In the first place, this concerns the level of moral development of researchers. Moral climate research demands an advanced (that is, post-conventional) level of moral development to avoid misunderstanding or even ignoring community and social contract climates and their typical problems.
Furthermore, researchers' moral preferences may play tricks upon them. The missionary assumption that organizations should develop morally as far as possible may lead to a different understanding of situations when compared to researchers taking contingency thoughts as a point of departure. This leaves space for less developed moral climate types that nevertheless fit their environment and hence are effective and viable within a certain configuration of environment, strategy, structure, and culture, as will be discussed in chapter 4. Moral climate researchers that hired are only to pay lip service to the maximization of organizational effectiveness may overlook morally questionable modes of argumentation. By addressing this issue, we enter the field of evaluative issues.

❖ Evaluative issues

When business ethics wants to be more than descriptive science and ultimately aims at

influencing the practice of business and organizing by fostering the moral quality of organizational decision-making, the evaluative issue in moral climate theory can be recognized as essential, for instance, for moral climate intervention. The evaluative issue concerns the question whether we should be happy with a certain moral climate, once we have identified it through research. Kohlberg's theory of cognitive moral development makes explicit evaluative claims - every next stage of individual moral development and of moral atmosphere development is psychologically and morally better than its preceding stages - whereupon intervention programs can be based and justified. From this perspective, the question becomes important on what criteria suggestions for intervention are based when Kohlberg's normative claim and therefore the developmental and evaluative base of the stage theory are abandoned. Do contingency theories – recommending a fit between internal consistent characteristics of an organization and its environment in order to survive, based on the assumption that there is no one best way of organizing and thus no commonly preferable type of moral climate - contain and deliver sound criteria for moral climate intervention? If so, does this imply a notion of morality in contingency theories (for instance, consequentialist) when organizational survival is the essential criterion? Alternatively, are contingency theories essentially non-moral? Apparently, the evaluative issue is rather complicated because of criteria that may turn out to be a troublesome twin:

- the *moral developmental* criterion – climate N +1 is morally better than climate N -, and
- the *pragmatic contingency* criterion - the moral climate profile or configuration of an organization (or its formal or informal subsystem) should fit its tasks and assignments in order for the organization to survive and be viable.

These two criteria will not and need not match, while mismatch has its consequences. From a developmental moral perspective, a particular moral climate is more or less developed morally, while from a contingency perspective, the same moral climate is more or less appropriate for organizational effectiveness and survival. A contingent moral climate may be underdeveloped according to the moral developmental criterion (lacking the necessary moral competence), or may be, in the opposite way, 'suffer' from moral overload when the moral climate is 'too moral' when confronted with organizational tasks and assignments (moral competence negatively influencing the requested moral performance). In many organizations, the latter criterion sets functional limits to the former criterion, in order to avoid moral overload and organizational ineffectiveness. However, the situation is more intricate, as will be indicated briefly here and discussed in chapter 4. The trouble is not caused so much by the moral developmental criterion as such. It can be borrowed straightforward from Kohlberg's theory of cognitive moral development. However, it cannot be followed blindly as an impetus for moral development, since organizations do have more and perhaps (in their view) more important tasks than being as moral as possible. Therefore, the pragmatic contingency criterion cannot be put aside, but needs some specification by looking at the tasks and assignments organizations have set or have been agreed upon with stakeholders (including government and public opinion). It can be expected that for-profit organizations attempt to take care of their own viability, whereas governmental organizations are meant to administer the country, realize the values and goals they are instituted for, maintain the economic, social and moral conditions necessary to fulfill the primary task, and deliver contributions to social behavior and public morality in other institutions by demonstrating exemplary behavior (Den Hoed & Schuyt, 2004, 197). Not-for-profit public services aim at

delivering services based on general principles of justice and respect, and non-governmental organizations generally have set their goals in terms of realizing either some abstract value or altruistic goal.

The contribution of moral climate theory can be prescriptive, telling organizations which moral climate type they should have, hold, or abandon. Moral climate theory can also point at the inconveniences and even deadly combinations when the both criteria do not match, or even when they do match. In general, when the moral climate is too high when related to the tasks and assignments of the organization, ineffectiveness may lay waiting. In the opposite direction, when the moral climate type is too low when related to organizational tasks and assignments, loss of legitimacy may be the result. Organizations attempting to realize hybrid tasks (the entrepreneurial city council, the green firm in absence of governmental backing) should consider the effects on the actual or required moral climate as part of their strategic decision-making.

Interventional issues

A practical intention of moral climate theory can be underpinning intervention programs, either as a goal in itself (strengthening or developing the present moral climate) or in an embedded fashion, as a prerequisite for implementing other programs of change (such as organization development, strategic renewal, or programs of implementing corporate social responsibility). Moral climate intervention is a specific intentionally attempt to change the moral climate. Apart from this, moral climates may have their inherent dynamics in terms of formation, maintenance, change, development, and decline. In any case, to be effective eventually, moral climate intervention needs to be climate-sensitive and climate-specific (ethical codes, ethical training, and instruments of HRM) and thus should avoid a "cookie cutter" or "one-size-fits-all" approach. From a person-situation social network perspective - more in particular, from the structuration theory point of view - three if possible integrated alleys of change should be considered to avoid counterproductive effects and disappointment. From an integrated perspective, for instance, ethics training will not be effective without approaches directed at changing the task structure of employees or readdressing the organization's strategy and stakeholder policies.

Structure interventions aiming at enriching the tasks and assignments of both the organization and its members facilitate moral climate strengthening or development or prevent slipping into undesirable moral climate profiles. Personal interventions aim at change at the individual level, more in particular by ethics training and employee appraisal and rewarding. The third alley considers cultural interaction processes in organizations, for instance concerning ethical issues or ethical aspects of other issues are discussed. More specifically, exemplary management behavior (interaction between leaders and subordinates) is an essential variable in both moral climate formation and intervention. Depending on the contingencies of particular moral climate, the emphasis should be on the structural level, the individual level, or the interactional level, or in the appropriate combination in order to be effective.

Moral climate intervention proposals cannot but reflect positions in the system-action debate. As is demonstrated in chapter 5, in many instances there is a preference for intervening at the people

level, thus applying a new, if possible, advanced personnel concept. Ethics training, management development, employee selection, socialization, and appraisal are interventions often mentioned. Less frequently, cultural interventions, expressed in alternative, more desired behaviors are listed, for instance exemplary management behavior, improvement of communication, concrete guidance, focusing on ethical issues, and concern for employees. However, it is not always clear, whom behaviors are expected of and who is responsible for initiating and monitoring them. Less often, too, aside from changing procedures and policies (in particular introducing and enforcing a code of ethics), interventions in the structural or strategic concept of the organization are chosen. Job description as an element of organizational (re)restructuring is mentioned rarely.
These three categories of moral climate intervention are listed while using the following codes:

(1) HR-instruments

MAD management development
ESE employee selection
ESI employee introduction
ESO employee socialization
EAP employee appraisal
ERE employee rewarding (including promoting)
EPD employee punishment and discipline (in case of violating of ethics standards)
ETR ethics training
JOB job description (in fact an instrument with structural nature)

(2) Desired behaviors (cultural interventions)

EMB exemplary management behavior (including delegation of decision-making)
IOC improvement of communication (about ethical issues)
COG concrete guidance (in reducing unethical behavior)
FEI focusing on ethical issues
CFE concern/care for employees (including offering a supportive work environment)

(3) Strategic and structural interventions

COE code of ethics (and other types of ethical regulation, for instance, safety guidelines, compliance manuals, and mission statements)
OEA organizational ethical appraisal (audits, internal, and external monitoring)
EAR ethics advocate role (including ethics officer, ethics committee, whistle-blowing systems)
POD policy development, implementation, and evaluation
EGV evaluation of organizational goals and values
EPS evaluation of organizational products and services
ORS organizational restructuring

1.2.2 Propositional claims and research questions

The fives issues concerning the study of moral climate – conceptual, typological, empirical, evaluative, and interventional - can be expressed in terms of propositional claims (the one track on the road map of the present study) and research questions (the other track), such that propositional claims in the left column mirror research questions in the right column.

The propositional claims will be explored in chapter 3 (concerning the "climate" part of "moral climate") and in chapter 4 (concerning the "moral" part of "moral climate"). The research

questions arranged according to the five issues discussed above are the guidelines for examining about 300 and reviewing 280 contributions to moral climate theory and will be resumed in chapter 5.

Apart from these issues, these texts are considered for the context in which and with what purpose the text is written, and in which way the relevance of the text is demonstrated and justified. Furthermore, there are many demographic and genealogical questions, for instance in which countries and in what type(s) of organization(s) research has been carried out, and as to who has borrowed which insights from whom. Finally, there is the question concerning development of moral climate theory.

❖ **Conceptual issues**			
Propositional Claims		Research Questions	
PC1	Extant theories of organizational climate and organizational culture do not make moral climate theory redundant, yet lessons can be learned from these bodies of knowledge with regard to conceptual, methodological, and interventional issues.	RQ1	How is moral climate defined and how do authors relate moral climate theory to extant theories of organizational climate and organizational culture, and especially, what have they learned from those theories with regard to conceptual, methodological and interventional issues?
PC2	Moral climate is an attribute of an organization (or its formal or informal subsystems).	RQ 2	Which explicit or implicit positions do authors on moral climate theory take in the attribute – perception controversy?
PC3a	For moral climate theory to be fruitful, both theory and research should cover all relevant modes of moral reasoning and apply them correctly.	RQ 3a	Which notion of morality is implied in the adjective 'moral'? Do moral climate concepts, theories and typologies cover all relevant types of moral argumentation, are they in this respect incomplete, or even possibly ill defined when ethical theories are not understood or used in a correct way?.
PC3b	Moral climate theory indicates the theoretical and practical consequences of possible neglect of forms of moral argumentation and/or incorrect use of ethical theory.	RC3b	What are the theoretical, empirical, and practical consequences of possible neglect of forms of moral argumentation and/or incorrect use of ethical theory?
PC4	Stakeholder analysis needs to be a constitutive part of moral climate theory when considering and specifying the locus of reference in organizational moral decision-making.	RC4	On what grounds do moral climate researchers determine the locus of reference of organizational moral decision-making? How are actual and potential claims of categories of stakeholders specified and dealt with in moral climate research? Which categories fall within the moral horizon, which categories are morally excluded, and on which grounds?
PC5	The person-situation interaction in moral climate theory can best be described and explained while using structuration theory.	RQ5	How do theories of moral climate explain the formation, maintenance, growth or development (in terms of drivers), and change of moral climate in terms of structure, human action, and interactional processes?
PC6	Apart from focusing on organizational moral climate, both organizational moral sub-climates (either formal or informal) and supra-cultures in their diversity (industry, production distribution chain profession, nation) should be included.	RQ6	How do theories on moral climate deal with the organizational level, its sub-levels (either formal or informal) and supra-level in their diversity (type of industry, profession, nation), respectively?

❖ Typological issues			
Propositional Claims		Research Questions	
PC7	Kohlberg's amended theory of individual cognitive moral development is a solid base for a moral climate typology. Moral climate as an organizational attribute exhibits the stage modes of moral argumentation, as does Kohlberg's theory of individual cognitive moral development, though the level of cognitive development of individual members eventually limits the possibilities of climate development.	RQ7	Which typology is used, along what dimensions it is constructed, and how are the different types of moral climates characterized? How do contributors to moral climate relate to Kohlberg's stage theory of individual cognitive moral development and have they done justice to the merits of this theory? If not using Kohlberg's theory, how are typologies constructed then? How is the switch passed from a theory about individuals to an organization theory? How in particular is dealt with developmental notions?
❖ Empirical issues			
Propositional claims		Research Questions	
PC8	Depending on the purposes of the research and the type of outcomes searched for, moral climate can be the dependent variable (explained by other variables), the independent variable (explaining and predicting other variables, including a variety of organizational outcomes), a mediating variable, or a moderating variable.	RQ8a	How is moral climate research designed? Is it descriptive or explanatory, or both? Which variables are involved and which type of variable is moral climate: dependent, independent, mediating, or moderating?
		RQ8b	Which connections are examined between moral climate and contextual/organizational variables? a. Environmental variables (hostility, political, economic developments, supra-cultures) b. Situational variables (such as age, size, technical system, legal relations) c. Strategic variables (product-market-technology combination; type of strategy) d. Structure variables including job design e. Culture variables (including leadership style, organizational conventions, myths). f. External and internal outcome variables (including organizational effectiveness, job satisfaction, commitment, turnover, unethical behavior).
PC9	Point of departure in moral climate research should be the appropriate use of the principle of at least methodological triangulation (surveys, participant observation, and/or ethnography) to avoid unnecessary bias.	RQ9	Which empirical methods are used in moral climate research and on what grounds?

❖ Evaluative issues			
Propositional Claims		Research Questions	
PC10	Moral climate theory should explain the evaluative issue by formulating clear criteria of moral climate evaluation and by explaining the tension between the two (sets of) criteria (developmental moral and pragmatic) by pointing at the consequences of mismatch (either loss of effectiveness or loss of legitimacy).	RQ10	In terms of which criteria can be determined and justified whether a certain moral climate is preferable (to other moral climates)? On what evaluative grounds do moral climate theories give recommendations for intervention in the context of strategic management in general, and for institutionalizing ethics in particular? How is dealt with possible tensions between criteria (more in particular: moral developmental versus pragmatic contingency criteria)?

❖ Interventional issues	
Propositional claims	Research questions
PC11a Moral climate intervention should avoid a "one size fits all approach" and instead be climate sensitive/specific and either match the actual moral climate for consolidation, or anticipate the future moral climate (type) from a developmental perspective.	RQ11a Which directions and methods of interventions are given in contributions of moral climate theory, how are these direction and methods substantiated, and are they of a general kind or climate-sensitive or climate-specific?
PC11b Moral climate intervention should be directed at the structural level, the individual level and the interactional level, according to the contingencies of the moral climate and include a focus on leadership.	RQ11b Which directions for moral climate intervention are given with regard to the structural level, the individual level and the interactional level, and on what grounds these choices are been made?

❖ Moral climate development	
Propositional claims	Research questions
PC12 Over time, moral climate theory shows a developmental pattern with distinct stages.	RCQ 12 Which pattern can be identified concerning the development of moral climate theory?

After having formulated claims and questions, in the next section, I explore the issue of how moral climate theory does fit into the body of knowledge of business ethics, examine some inherent difficulties, and consider what is its added value for organizational theory and practice.

1.3 Moral climate theory and its relevance to business ethics and beyond

1.3.1 Moral climate and business ethics as a developing discipline

Since the Eighties, business ethics became an institutionalized discipline while pointing at important areas of interest in the theory and practice of strategic management[18]. It was embraced by those considering it helpful in constructing decent organizations and ignored by those fearing it might be inconvenient. Because of its theoretical and practical aspirations and pretensions, business ethics turned out to be a successor as well as an elaborated differentiation of organizational culture theory that aimed at describing and understanding, as well as changing the culture of organizations. Though organizational culture theory nearly always circles around core values (both moral and non-moral, not always distinguished), the contribution to moral decision-making in organizations was probably rather limited, possibly because many theorists of organizational culture lacked both specific interest in moral decision-making and specific knowledge of it. Instead, business ethics became as much as a critical success factor eventually leading to competitive advantage, be it out of sincere moral inspiration or out of (enlightened) self-interest ('ethic pays'), apart or in combination.

Business ethics in its present state has its primary roots in moral philosophy and theology, though ethical issues were not unknown in management theory. Deontological, teleological, axiological, aretaic, and contractarian approaches proved to be helpful in analyzing individual moral decision-making. However, this individualistic posture - with the connotation of moral agents with their freedom, obligations and pursuit for happiness and the good life - represented one of the weaknesses of the business ethics enterprise, exactly because of this theoretical one-sidedness and

mainly normative approach. The other side in business ethics, business as contents and context of moral decision-making was neglected largely (Collier, 1998, 622). Because business ethics initially departed from an explicit (meta)ethical point of view, in only a few publications the moral relevant features of organizations are linked with the organizational context (environment, situational variables, strategy, business processes, structure, and culture) (e.g., Treviño, 1986). As individual characteristics and a prescriptive orientation alone are not sufficient to explain moral behavior in organizations, instead of or in addition to philosophical and conceptual reflection and critique, empirical research has been carried out in finding regularities and causal relationships, as well as situational mediators and moderators. Connections were hypothesized and found between (un)ethical behavior and variables in the organizational context (such as job content, type of leadership, specific combination of product, market and technology, industry specific features, governmental and self-regulation of industries and production-distribution chains). This empirical approach was conducted from other academic homes predominantly, notably management and social sciences, aiming at describing, explaining, predicting , and possibly influencing concrete and measurable behavior, often from a functional perspective while devaluating normative questions concerning right and wrong positions and behaviors while neglecting the concepts and tools from ethical theory (Treviño & Weaver, 2003, 9-22).
To be make the overview more comprehensive, subsequently, the organizational perspective received attention in themes such as 'business and society', including corporate social responsibility, its boundaries and its implications for the internal daily routine of the organization. Within the context of strategic management, institutionalizing ethics has become an outlined policy in many organizations, by means of installing a code of ethics, ethical committees and ethical advocates, carrying out integrity training programs, adapting reward systems, and the like. Yet, there still was little attention to the "moral inside" of organizations, apart from the focus on the (un)ethical behavior of individuals and organizations. Although in early contributions to ethical decision-making in organizations ample attention has been paid to external variables, "internal" elements such as moral climate were ignored in what became known as contingency frameworks of ethical decision-making (Ferrell & Gresham, 1985, 89; Bommer et al, 1987, 266). In their 1994 review contribution on ethical decision making and empirical literature, Ford and Richardson (1994, 217, 218) devoted only a few lines to the moral climate phenomenon (the Victor and Cullen way) while concluding that

> "…the more ethical the climate and culture of an organization is, the more ethical an individual's ethical beliefs and decision behavior will be. The strength of this influence may be moderated by the structure and design of some organizations".

Within this context, moral climate theory, initiated by Kohlberg and his associates as moral atmosphere theory, is supposed to contribute to a better understanding of organizational morality and to effective implementation of programs that aim at enhancing organizational morality or designing and implementing programs expressing corporate social responsibility or corporate social citizenship[19] (Snell, 1993; Snell, 2000; Treviño, 1986; Treviño & Weaver, 2003; Treviño, Weaver & Reynolds, 2006). Moral atmosphere and moral climate theory incorporated into business ethics ask for a clear statement of what business ethics is like and of what can be expected from business ethics as a discipline.

At this point, some difficulties may arise, because most contributions to moral climate theory are Anglo-Saxon (if not American), while business ethics in Europe, and more specific, in the Netherlands, followed its own lines of development (Van Luijk, 1994, 1999). Initially started as an *applied* ethics, business ethics has evolved into a *special* ethics. The distinction of applied and special ethics is not without meaning, applied ethics being the application of ethical theory to questions of business and organizing, whereas a special ethics aims at clarifying and solving moral problems emerging from the practice of business and organizing with the help of ethical theory. Although both approaches are mildly hybrid in their focus on ethics and business/management while aiming at enhancing the quality of moral decision-making processes in business, there are also differences. Business ethics conceived as *applied ethics* is conducted by ethicists who commonly aim at a double audience, their colleagues in (other fields) of ethics, and people that are practically involved in the specific field of their interest (environmental ethics, medical ethics, ethics of governmental administration, media ethics). Business ethicists in the applied approach, have a multiple task. When business ethics is taken as a derivative of general ethics – considered the mother discipline – business ethicists have to prove that they still belong to the ethics family, that is, satisfying the authorities in the noble art of ethical thinking by living up to their standards of analysis, argumentation and knowledge of ethical theories. At the same time, as a help in the moral dilemmas that experts and ordinary people are facing in the real world, applied ethics has to show some affinity with the issues at stake, at a minimum by speaking in terms that practitioners in business or other fields can understand (Van Luijk, 1999, 356). In their normative approach, applied ethicists are chiefly ethicists while seeking the proof of their right to exist in the approval given by the mother science, as a seal of professionalism, public acceptance by outside experts and practitioners considered of secondary nature, yet welcome. Practitioners' critique, that applied ethicists lack special knowledge and understand little of business practices and yet promote themselves as a self-appointed sovereign moral authority judging practices for which they never would be asked to take responsibility, can easily be trivialized by emphasizing their excellence concerning the other focus, ethics. However, in this fashion, applied ethics is of limited use for practitioners expecting tailor-made contributions based on actual knowledge of the field, instead of answers given to questions that were not formulated by business and management.

In the meantime, in order to develop a *special ethics*, the empirical approach gained insight in the actual practice of (un)ethical conduct of individuals and organizations put within the context of organizational hierarchical and bureaucratic properties (including structure and procedures), organizational strategies and politics, yet not always based on proper understanding of ethics theory while avoiding normative questions.

The tension between the normative and the empirical approach can be illustrated by the fictive discussion presented by Treviño and Weaver (2003, 7). The scene is a conference in business ethics where academics from liberal arts philosophy departments (business *ethics*) and business schools (*business* ethics) are gathered to share their past year's work, as the following interaction emerges.

> Business school faculty member:
>
> "These philosophers don't seem to know much about business. Their papers are full of mumbo

> jumbo that no one else can understand, least of all business managers. What does all of this tell us about management in the real world, anyway? I'd like to be a fly on the wall when they attempt to deliver these incomprehensible abstractions to the local Chamber of Commerce."
> Philosopher:
> "Oh no, a panel discussion by business school faculty on employee theft. Someone will probably talk about the relationship between unauthorized paper clip acquisitions and variations in office lightning, holding moonlight constant, of course. Big deal! That won't improve anyone's character, nor give the genuinely puzzled a guide for moral living. It's no surprise, though: they really haven't studied ethics."

Business ethics in the Netherlands has being trying to avoid the ineffective normative one-sided approach by developing the EBEN-formula (European Business Ethics Network) by bringing together representatives from business with people working at universities, in equal portions. Two reasons were given for the EBEN-formula, one pragmatic and one principle-based (Van Luijk, 1999, 356):

> "The pragmatic reason stated that it makes no sense on invest a great deal of energy in developing ethical insights for use in business if people actually working in the field do not hear you, or, in case they do hear you, do not understand what you are talking about. This reason sounds straightforward enough and is not really surprising. The principled reason, for its part, was based on the conviction that business ethicists are incapable of even knowing their subject unless they have developed a language in common with business representatives in a continuous process of exchange and debate. The latter reason is little less than revolutionary. For here, the basis for scientific competence is redefined. The authority to decide on the status and validity of business ethics is granted to intended users as much as to its academic judges."

This EBEN-formula paved to the way to a genuine special ethics that does suffers neither from the shortcomings of merely applied ethics nor from the lack of ethics knowledge characterizing the empirical orientation. Subsequently, by "business ethics as a social institution", Van Luijk means

> "…a coherent set of concepts, practices, structures and interventions (co-)determining, in a reconstructable way, the moral stature and impact of business within a given social fabric. This set of factors may vary according to circumstances, but the basic ingredients will be present in most cases: ethical theories of a general and an intermediate nature concerning what morally speaking can be expected from business, auditing and training practices with regard to corporate responsibility, codes and other control systems developed to foster the moral quality of business processes, individual and collective initiatives and interventions of an individual and of an organizational nature, and a culture of transparency and openness stimulating mutual accountability among various business stakeholders. It is obvious that the reverse side, the absence of those ingredients or the explicit presence of moral unwillingness, will count heavily among the factors determining business ethics as a social institution – as a "practice", some would like to say – but then in a normatively negative sense. The leading question behind all these concepts, practices, structures and interventions remains: "What is the right thing to do for business in the given circumstances?" However, as a specific social institution in a given environment, business ethics, at the same time, is part and parcel of a larger institutional configuration of which the actual legal system, the distribution of political power, and the degree of economic development are major components".

These lengthy quotations serve to describe the theoretical and practical context of moral climate theory, research, and intervention[20]. Moral climate theory developed within and perhaps out of

the tension between these two approaches, as an attempt to arrive at a theoretical hybridization, or at least a symbiotic relationship of these two approaches while avoiding the parallel existence of two circles without an intersection, as we will see throughout this study and discuss below briefly[21]. As I understand it, moral climate theory can only be comprehensive as a both eclectic and interdisciplinary object of theory construction within the integrating institution of business ethics, many philosophical, psychological, sociological, economical, and political issues being relevant in their own respect. This medley of ideas, foundations and vocabularies involves the possibility of hostility and criticism from multiple quarters because, by definition, an integrative approach it breaks more rules and steps on more toes than monodisciplinary approaches do. As it seems, it is quite an intellectual and practical burden to feel comfortable in two or even more academic homes with their respective theories, research traditions, and sacred cows, voices and audiences, and thus risking confusion (Corley & Gioia, 2011, 12-13).
Nevertheless, more in general, business ethics shows an unusual high degree of interaction with other disciplines (Ma, 2010, 1) and hence is a rather frayed discipline itself. In the lack of an all-embracing organization theory, this eclectic and interdisciplinary conceptualization of business ethics is rather demanding, as can be seen throughout the present study. However, the vast theoretical body of organizational theories (from different disciplines including organizational psychology, economics, and sociology) may, in spite of their dispersed and sometimes hybrid status (as in management theory), contribute to the theory and practice of business ethics in general and moral climate theory in particular, especially those theories having (organizational) climate and (organizational) culture as their focus.
Because of this eclectic and interdisciplinary nature, business ethics both requires and makes possible what Nicolini (2009, 1391, 1392, 1396) terms "zooming in and out". This double movement aimed at means fore-grounding certain aspects of the pattern of social and material practices or organizing across space and time while back-grounding other aspects, by switching theoretical lenses and trailing connections in order to arrive at a detailed understanding of real-time practices and thus to complexify all types of reductions. This double movement is underpinned by the general idea that practices are mutually connected and constitute a nexus, texture, field, or network (Nicolini, 2009, 1394). Zooming out from organizational practices (appreciation of the wider texture), articulates associations between practices and the resulting practice-net, reciprocal implications (how one practice becomes the resource for other ones), patterns of associations and interests, local and translocal effects, and the impact of the global on the local. Zooming in on organizational practices (blowing up details) focuses on concrete sayings and doings, the role of material elements and infrastructure, micro-strategies of concerted accomplishments, body choreography, local repertoire and lexicon of accountability, socialization processes, and so on (Nicolini, 2009, 1412). For moral climate theory, this means focusing on both the wider industry and societal contexts of organizations on the macro side and focusing on everyday conversation between peers, between superiors and subordinates, between customers and the organization, socialization, and the ways ethical issues are dealt with, on the micro side, in order to realize the power of business ethics.

However, apart from the tension between normative and empirical approaches, there is yet another tension threatening the academic soundness and the credibility of business ethics. This

tension between theoretical and practical approaches is characteristic to the situation of applied/special ethics, illustrated by Kahn (1990, 312-313) with the following quote from an unknown researcher:

> "There is a problem in applied ethics: you're simply in a no-man's land. On the one side are the theoreticians who say, "We do the foundational work, and your work is derivative and primitive and parasitic on what we have done." Then on the other hand, practitioners say, "Well, you're not really acquainted with the field of practice." So people in applied ethics are in the inherent comic position of carrying water from the wells they haven't dug to fight fires they can't quite find."

As I see it, a serious threat may be newcomers in the field, odd-jobbers on the premises of business ethics. Notably, practitioners of organizational development and change might (and do) consider business ethics consulting a niche in the market to be occupied quickly and easily without a solid theoretical basis. The reproach of not knowing the practice of business of management business ethicists sometimes hear, might apply less to these OD practitioners and consultants (assumed competent in initiating and facilitating change programs in organizations). Instead, they might suffer from a lack of thorough knowledge of ethical theory and moral reasoning. As Ten Bos, Jones and Parker (2006, 14-20) put it, philosophy is not taken seriously, nor is society and politics as the context for business ethics. Even worse, 'the ethical' is not taken seriously as well, nor are the meaning and the purpose of ethics. This situation may undermine the theoretical validity of their contributions (both theoretical and practical) when they cannot stand academic scrutiny and hazard their practical usefulness when interventions programs are not grounded on solid theoretical rock. Kahn (1990, 312-313) illustrates the situation of applied ethics with the following quote from an unknown researcher:

> "There is a problem in applied ethics: you're simply in a no-man's land. On the one side are the theoreticians who say, "We do the foundational work, and your work is derivative and primitive and parasitic on what we have done." Then on the other hand, practitioners say, "Well, you're not really acquainted with the field of practice." So people in applied ethics are in the inherent comic position of carrying water from the wells they haven't dug to fight fires they can't quite find."

In sum, the current status of business ethics as an academic field and a practical enterprise is characterized by two tense problems. On the theoretical level, there is the tension between the normative and the empirical orientation. Some participants in the field of business ethics with a philosophical-ethical background (the normative circle) lack factual knowledge of organizational theory and practices, whereas participants with a background in organizational theory and practice (the contextual circle) fail in philosophical-ethical respect. On the practical level, there is the tension between newcomers with practical intentions, yet lacking intellectual background in the field, and those who have this background (though possibly imperfect or even defective) but are no professional change agents.

There is no reason to assume that moral climate theory shows a very different picture. The sketch of business ethics just presented should make us alert with regard to contributions to moral climate theory included in the present study. Though it is not the main issue of this study, taking a closer look at the credentials of these contributors (for instance, their academic discipline) may shed some preliminary light on possible flaws in their approach to moral climate theory. Put in hypothetical form:

A: Contributors to business ethics in general and moral climate theory in particular having

their roots in ethics put a greater emphasis on ethics thus favoring a normative approach while lacking of proper knowledge of matters of business/organization, as well as practical intervention methods.

B: Contributors to business ethics in general and moral climate theory in particular having their roots in management science (or correlates) put a greater emphasis on organizational phenomena thus favoring an empirical approach, while lacking proper knowledge of ethics theory/moral argumentation, as well as practical intervention methods.

C: Contributors to business ethics in general and moral climate theory in particular having their roots in OD practice/consultancy put a greater emphasis on practical intervention programs, while lacking proper knowledge of ethics theory/moral argumentation, matters of business/organization, or both.

In chapter 5, these preliminary hypotheses are tested by looking at both the academic background on contributors to moral climate theory and the features of their bibliographical references, as was listed in Appendices 1 and 3, respectively.

1.3.2 The multiple relevance of moral climate theory and research

In the concluding part of this section, the relevance of moral climate theory and research is specified, in two interlocking moves. The first move describes the place of the subject of moral climate on the business ethics research agenda, while the second move formulates a number of theoretical and practical expectations with regard to moral climate theory, as well as some additional possibilities for use.

(1) Moral climate and business ethics research agendas

Nowadays, moral climate is a recognized subject on business ethics research agendas. It is not just a fad, as the numerous contributions examined in the present study acknowledge. It may even fit into a pattern of new management topics. Kilman, Saxton, and Serpa (1986, 92) describe the evolving management issues over several decades:

- in the 1940s, human relations training was the new management tool
- in the 1950s, management by objectives was heralded as the new solution to management problems
- in the 1960s, organization structure was believed the best solution
- in the 1970s, corporate strategy was considered the new panacea
- in the 1980s, quality circles were popular to improve performance
- in the 1980s, culture was discovered as the social energy that drives or fails to drive the organization.

Along with these developments, according to DeGeorge (1987), business ethics developed in five stages. These stages include the ethics in business stage (prior 1960), the rise of social issues in business (in the Sixties), the rise of business ethics as an emerging field (in the Seventies), the initial consolidation period (the first half of the Eighties), and the refinement and further development of business ethics (after 1985).

Of interest for moral climate theory is the discovery of organizational culture as an organizational phenomenon. Since the second part of the 1980s, in a broad sense, the impact of organizational culture on ethical decision-making is acknowledged. Fraedrich and Ferrell (1994, 101) use the term 'ethical climate', considered a component of the corporate culture and thought of as the character of decision processes used to determine whether dilemmas are moral or immoral. They

place 'ethical climate' in the heart of their framework for studying business ethics, along with Kohlberg's theory of cognitive moral development and the 'just community approach'. However, since they fail to make an explicit connection between Kohlberg's theory and their concept of 'ethical climate', the operationalization of this connection could and should be an important topic in business ethics research.

Also in a broad sense, Kahn (1990, 312-314) advocates the intersection of normative and contextual concepts in business ethics to help the field move through its current stage: the development of theoretical concepts that make sense in the reality of organizational life and guide the practice of strengthening ethical conduct in organizations and of organizations. Clarity is expected from a multilevel analysis (individual, group, department, organization, society) of ethical issues, including the influences of the levels on one another. Especially organizational conditions such as structure (hierarchical and bureaucratic properties), task design, procedures, and systems should be focused, but also organizational climate and culture and subjective perceptions of, for instance, safety and trust (Kahn, 1990, 312-313; 320-322). Although Kahn does not use the term 'moral climate' in an explicit way, the development of moral climate theory matches perfectly with the main themes his research agenda (Kahn, 1990, 322-323).

Weber (1993, 420, 422) also advocates a multi-component model of business ethics, more in particular a multi-component model to institutionalize ethics in business. Organizational ethical culture is one of the core components in this model, based on the assumption that the primary influence on corporate (moral) behavior lies in organizational culture. Weber, elaborating the typology of ethical work climates constructed by Victor and Cullen (1987; 1988), formulates a series of research questions to explore the organizational ethical culture component, and especially the interrelationships of this component with ethical employee behavior, employee ethics training, corporate codes of conduct and organizational enforcement mechanisms. These questions could serve as a guide for subsequent research investigating the institutionalization of ethics into business.

Robertson (1993) suggests both future directions of empirical research in business ethics and presents a series of recommendations.

1. Base empirical research on explicit *normative foundations* to guarantee greater collaboration between normative and empirical perspectives.
2. Emphasize *behavior* (both ethical and unethical) as the key dependent variable instead of attitudes (and perceptions, HB).
3. Test *theoretical models of ethical decision-making* in order to arrive at a better understanding of the determinants of ethical decision-making and ethical behavior.
4. Focus empirical research on *theory building* to substantiate practical application for managers.
5. Include *other units of analysis* than individual managerial or employee behavior, such as behavior of work groups, departmental units, and corporations, along with that of other stakeholder groups.
6. Pursue *systematic research*. Multiple studies investigating similar research questions will advance business ethics towards a more cohesive field of study.
7. Broaden the *methodological base* by using other methodologies than survey methodology, including cross-national design, experimental design, factorial survey design, randomized response

techniques, meta-analysis, and qualitative methods.

8. Build links to managerial and public policy *applications* in order to be more explicit about the usefulness of research for public policy and for management.

Moral climate research especially suits guideline 5, whereas guidelines 2 and 7 when connected are of special interest to moral climate research to overcome the dominance of quantitative research using questionnaires in favor of qualitative methods (including interviews, participant observation, and discourse/conversation analysis. At best, triangulation of research strategies and methods is advocated, in line with guideline 6 (see chapter 2, note 25). Foundational inquiry as a form of meta-analysis is the method used in the present study, explained in chapter 2 as well. Guidelines 1 and 8 are combined in the present study by focusing on both evaluative and interventional aspects of moral climate theory.

On the research agenda of Nicholson (1994, 581, 591, 593) several themes for business ethics research are summed up, one of which is the normative classification of the ethical content of organizational culture as one of the main conditions for ethical functioning. Just as Fraedrich and Ferrell, and Weber, Nicholson proposes a connection of Kohlberg's typology of moral reasoning and development with organizational characteristics (such as organizational design and current implicit assumptions and ideologies), also with reference to the earlier mentioned ethical climate typology of Victor and Cullen.

In his book on ethical qualities of organizations, Kaptein (1998) emphasizes the importance of organizational context and organizational culture. Critically examining the contributions of, amongst others, Kohlberg and Victor and Cullen, he puts several questions on his agenda for follow-up research (1998, 56-58; 215-216). An important question is,

> "Can organizations be classified or typified according to the degree to which the qualities are embedded within the organization? Furthermore, in relation to the ethical content of organizations, are there significant differences that can be made between organizations of different sizes, organizational structural structures, market structures, market structures, business sectors, and countries and between for-profit and not-for-profit organizations?"

Kaptein, elaborating the developmental model of Robin and Reidenbach (1991), pays special attention to the question whether organizations can be typified with respect to their level of moral development.

The overview of contemporary business ethics theory and research presented by Ma (2010), it shows that moral climate theory is not a major issue yet. Applying co-citation analysis[22], Ma (2010) shows that major themes have shifted during the last decade from research on ethical decision-making and on the relationship between corporate social responsibility and corporate performance, to research on stakeholder theory in business ethics and on the relationship between consumer behavior and corporate social responsibility. After have identified trends, Ma (2010, 9) also gives suggestions for future research, including exploring the relationship between corporate social performance and corporate financial performance, (international) culture, and theory refinement and development.

(2) Expectations cherished

Kaptein's last question and Ma's second suggestion indeed touch the very core of this inquiry into moral climate theory. The still growing number of publications on moral climate theory and research proves the significance of the subject. However, being a popular and promising issue is not a sufficient reason for conducting research and constructing theories. A closer look at the reasons behind this popularity reveals a number of expectations with regard to moral climate theory and research. These expectations can be considered in terms of criteria for fruitful contributions to science with practical ambitions. These criteria include: (a) move theoretical conceptualization forward in organizational theory, and/or (b) indicate new theoretical linkages that have rich potential for organizational theory and research, and (c) provide clear implications of theory for problem solving in organizational situations. These criteria imply advancing knowledge and moving the field's thinking forward (scientific utility), integrating prior thought and research and providing new connections among previous concepts to constitute a different way of understanding organizational phenomena, and alerting us to research opportunities not anticipated so far (incremental or revelatory originality), and exploring the practical implications of these connections (practical utility) (Corley & Gioia, 2011, 14-15, 19, 28). The present study concerning moral climate theory attempts to realize these ambitions.

Most of all, moral climate theory should be what Reckwitz (2002) terms a "theory of social practices", as a conceptual alternative to other forms of social and cultural theory describing the conditions of human action and social order. Moral climate must be more than a purpose-oriented theory of purposes, intentions, and actions (as in Rational Choice Theory, with homo economicus as the dominant image of man) and a collective norm-oriented theory of action (as in the vocabulary of Durkheim and Parsons, with homo sociologicus as the dominant image of man). According to Reckwitz (2002, 245-246, 255), the newness of the cultural theories consists in explaining and understanding actions by reconstructing the symbolic structures of knowledge that enable and constrain the agents to interpret the world according to certain forms and to behave in corresponding ways (for instance, moral climate, HB). Structure can be seen as routinized social practices reproduced in everyday life or transformed in case of everyday crises of routine. In the view of Reckwitz, social order then does not appear as a product of compliance of mutual normative expectations, but embedded in collective cognitive and symbolic structures, in a 'shared knowledge' which enables a socially shared way of ascribing meaning to the world. Theories of practice should address the implicit, tacit or unconscious layer of knowledge that enables a symbolic organization of reality and that is ignored or even denied by the other approaches. From this perspective, moral climate theory should highlight the significance of shared or collective symbolic structures of knowledge in order to grasp both action and social order, as happens in the structuration theory of Giddens and its extension to discourse/conversation. This is not to say that extant contributions to moral climate theory depart from this perspective; on the contrary, they generally fit in the purpose-oriented approach (favored by ethicists) and the norm-oriented theory of action (favored by social scientist). In fact, Kohlbergian paradigm is an early manifestation of the third approach because its focus on structure, intentions, and processes of discourse/conversations. What does this demand from developing moral climate theory?

From a *theoretical* perspective, progress is expected because of the intertwining of contributions of several disciplines: (business) ethics, organization theory, management theory, legal theory, organizational psychology and sociology, and culture theory. With the help of moral climate theory is it possible to conceptualize an important feature of organizations from a multiple point of view: the moral contents of organizations and the way these are maintained or changed. Moral climate theory is also expected to give an appropriate account of the moral aspects of theories of organizational culture. Moral climate theory makes it possible to carry out research in organizations and to compare organizations from a moral climate point of view. From a structurational perspective, discourse/conversation analysis is considered promising in future research.

From a *practical* perspective, moral climate theory leads to fuller understanding of organizational problems (as, for instance, turnover, poor job satisfaction, work stress, antisocial employee behavior including as theft, mobbing or sexual harassment) and can prevent organizational unproductiveness and ineffectiveness, and of course promote productivity and effectiveness. Moral climate theory can also contribute to the social function of business ethics, by examining the internal conditions for organizational legitimacy and integration in society and giving suggestions for improvement while recognizing that business ethics has an indispensable social function (Jeurissen, 2000)[23].

Besides these functional motives, the ethical impact of moral climate theory is also important: moral climate theory provides us with the tools to get a grip on the moral contents of organizations and to stimulate the moral contents of organizations and the well-being of its members (and any other stakeholder category). These tools consist of research methods (such as questionnaires) and intervention programs (developing and introducing codes of ethics, ethical training seminars, organizational redesign, transforming leadership style).

The possibility of a validated developmental typology of moral climates offers cues for both controlling and changing organizations:

- A specific (type of) moral climate is informative about the directions, possibilities and limits of organizational change and development (such as programs aiming at the prevention of antisocial employee behavior, programs of corporate social responsibility and problems of quality improvement, or programs aiming at institutionalizing corporate social responsibility). Organizational change programs demand a minimum of (moral) commitment and participation from the participants (as was emphasized by Lavoie & Culbert, 1978).
- Moral climate theory is informative in case of mergers and takeovers. Large differences in the respective moral climates could be an important consideration to adapt or even stop processes of merging and take-over, or at least give it special attention, to prevent ineffectiveness and loss of productivity because of a non-fit of moral climates and the accompanying problems of cooperation with and between departments.
- Moral climate theory can facilitate international business by detecting national differences in moral climates and reckoning with it.
- Moral climate theory can offer important cues for the way instruments of personnel management are chosen and implemented. Contents and procedures of these instruments (such as recruitment and hiring, training, performance appraisal, reward systems, job rating, teambuilding, and career development) should be climate-sensitive and climate-specific, that

is, either be in line with the present moral climate and strengthen it, or anticipate a preferred moral climate from either a developmental or a pragmatic perspective, or both. More in general, leadership style and working relations and the way problems of motivation and commitment are dealt with should reflect the (present or desired) moral climate, that is, be climate-specific.

(3) 'Exotic' applications

Finally, moral climate theory can also foster additional, more 'exotic' applications in other areas, such as the domains of specific organizational constellations, history, or literature.

A *specific constellation* show so-called large events organizations (leo's) and virtual organizations. The moral climate of a large event organization such as the "Tour de France", the Conclave electing a new Pope, or the "Eurovision Song Contest" could be determined as an explanatory framework to interpret its vicissitudes. Virtual organizations are, for instance, loosely coupled networks on the World Wide Web.

In *historical inquiry*, moral climate theory can contribute to fuller and better understanding of organizations and institutions in the past. It can be used to understand the moral climate of organizations in an occupied country (Lammers, 1988), the moral climate of 'Het Behouden Huys' built during the hibernation of Willem Barentsz and his men in the harsh winter of 1596-1597 at Nova Zembla (Unwin, 1995). It can also help to understand the supraclimate of the Hanseatic League, the moral climate in a mediaeval castle under siege, it explain the success of the Roman army, or explain the moral climate of the biblical vineyard of the workers of the latest hour (Matthew 20:1-16). Moral climate theory can be used in socio-anthropological research, by identifying the moral climate of, for instance, the Yanomamö (the Venezuelan/Brazilian Indian people, studied and made famous by Chagnon, 1992).

Moral climate theory can also be used in *literary analysis*. It can illuminate the reading of those texts of literature in which organizational (or bureaucratic) settings play an important role ('business novels'), among others Upton Sinclair's *The Jungle* (1906), Tracy Kidder's *The Soul of a New Machine* (1981), and the highly acclaimed novel cycle *Het Bureau* [The Office] of J.J. Voskuil, to mention only some of the numerous texts in this genre.

The next chapter focuses on the methodology of the present study, foundational inquiry as a specific form of meta-analysis.

Chapter 2 Methodology

2.1 Introduction
2.2 Why foundational inquiry?
2.3 Methodological aspects of foundational inquiry
2.4 Criteria for evaluating moral climate theories
  2.4.1 Introduction: theories and types of criteria
  2.4.2 The 'truth' cluster of criteria
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2.5 Implications and preview

2.1 Introduction

A critical investigation of moral climate theory and research by examining its *foundations* asks for a special approach, *foundational inquiry* (Habermas, 1981; Kunneman, 1985; Snik & Van Haaften, 2001; Snik, Van Haaften & Tellings, 1994; Veling, 1983). This type of research implies that no new actual empirical data are collected, through, for instance, a large (comparative) survey in one or more organizations. Instead, it is a study of studies in which published texts on moral climate are reviewed in terms of a format reflecting the issues, questions, and claims put forward in chapter 1. This way of conducting research is no less empirical than, for instance, conducting a survey, but its data are of a different kind: texts referring, for the most part, to research practices.

In section 2.2, I discuss difficulties with moral climate research and advocate conducting foundational inquiry. Subsequently, section 2.3 presents the research method used in the present study, foundational inquiry, as a way of conducting meta-analysis[24]. Subsequently, common types of foundations are discussed, many of which already emerged in the questions and claims that were formulated in the previous section. In section 2.4, I discuss criteria for moral climate theory evaluation in terms of the issues described in the previous chapter (conceptual, typological, empirical, evaluative, and interventional issues), and present an overall heuristic model for moral climate research.

In the subsequent chapters both parts of the moral climate construct – the 'climate' part (chapter 3) and the 'moral' part (chapter 4) – are discussed in detail to identify positions and debates concerning foundations of the conceptual, typological, empirical, evaluative, and interventional issues indicated in the previous chapter. The proceedings of this approach are relevant to both a proper understanding of the numerous contributions to moral climate theory in order to assess their theoretical and practical value and to give a sound foundation for my own proposal for a fruitful approach of moral climate.

2.2 Why foundational inquiry?

Foundational inquiry is not a current approach in organizational research (yet). Therefore, a short explanation may be necessary, especially to make clear why a common empirical approach is difficult and sometimes even not very promising either, and why foundational inquiry is a valuable research strategy of its own.
An obvious course of action within the common empirical approach is testing the different moral climate theories by formulating and testing hypotheses. In this competition of theories the best theory may "win", that is, may found to be the most appropriate and fruitful theory, explaining most, predicting best, being the most informative theory, and giving the best useful clues for intervention.
In this common approach, the underlying principles may be taken for granted and remain unexamined. Furthermore, theoretical origins of hypotheses and founding principles may be taken as irrelevant and unproblematic sources of inspiration without theoretical, methodological, and practical consequences considered well. In fact, theoretical origins and principles seem to be more or less a matter of personal choice. Looking for principles may even be considered as a shift away from reality and, worse, seen as an immunization to criticism. Instead, only systematic inquiry, and testable hypotheses, no matter what their origin, should count, and on methodological grounds and using criteria, one should decide which theory is best.
However, several difficulties are germane to this common empirical approach. These difficulties affect the fruitfulness of the common approach, not only for conceptual and methodological reasons and practical barriers, but also because of neglected philosophical considerations. To be more specific, let us take a brief look at these hindrances to thorough and polished theorizing and effective practice in business ethics, starting with a brief summary of the state of the art in. business ethics on its way to the multidisciplinary approach indicated in the previous chapter.

- Nicholson (1994, 581) embraces a very generalized and skeptical opinion about the state of the art in business ethics: the area remains relatively formless theoretically and weak empirically. Weber (1993, 420) records, despite the abundance of empirical data, a lack of consistent categorical frameworks in general, but also with respect to organizational ethical culture in particular. Thus, institutionalizing ethics into organizations is expected to be a haphazard enterprise.

- Collier (1998, 624) observes some internal weaknesses in business ethics: (then) three decades of academic endeavor has produced real scholarship, well-developed frameworks of thought, and valuable heuristics, but not a Kuhnian-style overarching paradigm as a governing principle for business ethics "puzzle solving". That is, there is no integrated set of underlying operational theoretical constructs, not even a bunch of multiple competing paradigms. Collier supports the creation of a theoretical framework with at least sufficient explanatory power to generate further theoretical conjectures and useful empirical (and, let us hope, also practical, HB) applications by proposing a model of theory-practice relationships.

- Kahn (1990, 312-313) described a lack of interdisciplinary approaches, while pointing at what

he considers an unfruitful conceptual gap between normative and contextual approaches, like two circles without an intersection. In the normative circle appear concepts such as principles of justice, moral agency of organizations, corporate (social) responsibility, individual moral development, and criteria to distinguish between the ethical and unethical behavior of organizations and their members. In the contextual circle, the organizational context is taken into consideration: organizational hierarchical and bureaucratic properties (including structure and procedures), organizational strategies and politics, organizational climate and culture. The intersection of the two circles, in which concepts and methods are created that reflect both normative and contextual understandings and, ultimately, that connects academic research to organizational practices, is still missing, meaning that the desired interdisciplinary approach is not fully realized yet.

- Burrell (1996, 644) observed that an in organization in general, interdisciplinary approach has indeed a long way to go before conceptual gaps are closed in a satisfying way, because of a lack of shared language and a shared project in organization studies in general. The discipline is fragmented into many schools of thought without universally recognized elites in control.

However, in moral climate theory and research, there no such thing exists as a conceptual and methodological paradigm war, with entrenched positions combating each other fiercely. On the contrary, as the analysis in the present study reveals, in moral climate research the objectivistic functionalistic paradigm outweighs subjective interpretive or hermeneutic approaches to a large degree, as emerges most explicitly in the wide use of the *Ethical Climate Questionnaire*, based on the typology of Victor and Cullen (1987; 1988). That is, the focus is more on explaining and predicting in terms of causal relations in order to control them (for instance, unethical behavior) than on emphatically describing, decoding, translating, and understanding contextually embedded meanings and on studying unfolding interactional processes through, for instance, participant observation, in-depth interviewing, and discourse/conversation analysis. This functionalistic hegemony implies, by definition, that research serves the maintenance or change of moral structure in order to enhance organizational effectiveness, survival, and viability. Interpretive studies on moral climate, especially those from the ethnographic or ethnomethodological paradigms (Phillips, 1992) – operating from either a holistic (culture as an integrated whole), a semiotic (understanding the "natives' point of view" by gaining access to their conceptual world and its meanings), or behavioral stance (aiming at uncovering patterns in observed behaviors) (Sanday, 1979) – will be scarce, if existing, at least until now.
This alleged functionalistic hegemonic situation is not free from hazard. Van Maanen (1979, 521, 522) points at the danger of methods guiding theory. He expresses his concern about the degree to which our research procedures have become mathematically sophisticated and so ritualized that the necessary connection between measure and concept has vanished, while ignoring the possible benefits of interpretive frameworks. Since quantitative methods, especially in the field of moral climate research, have held an almost monopolistic grip on the production of knowledge in the field, any serious reflection regarding current organization theory must consider the value of alternative methods, for instance, from ethnography.
I would agree with Morgan (1990, 27-29) who promotes the possibility of improving our

knowledge of organizational phenomena by understanding the various intellectual traditions and using their different standpoints. Furthermore, an understanding of the different paradigms involved - hegemonic or not - also opens up the possibility of engaging in dialectical modes of research confronting the insights generated from competing perspectives, as, for instance, is proposed by Schultz & Hatch (1996) in their paradigm interplay model exploring both contrasts and connections between functionalism and interpretivism, and advocated and elaborated by many other authors (among others, Evered & Louis, 1981; Gioia & Pitré, 1990; Jick, 1979; Lee, 1991; Van Maanen, 1979).

Exploring the nature of other paradigms provides a basis for understanding one's own scientific activities by examining differences. Morgan also proposes the development and refining of the strategies and tools of research appropriate to different paradigms, as well as appropriate criteria for determining the quality of the research conducted. In short, it is advocated to explore the possibilities of various forms of triangulation[25], defined as the combination of multiple theories, methodologies, techniques, sources of data, and researchers in the study of the same phenomenon (Baarda, De Goede & Teunissen, 2005, 187-188; Denzin, 1978, 291, 302), but also of paradigms and perspectives. Triangulation is based on the assumption that multiple viewpoints allow for greater accuracy and for an in-depth and rich understanding of the phenomenon in question and prevent bias (Blaikie, 1991, 115; Flick, 1998, 230, 231). After all, not all information is available through the same information channel (Hutjes & Van Buuren, 1992, 98). According to Flick (2006, 390), triangulation is not a tool or a strategy of validation, but an alternative to it. At times, apparently obvious combinations should be scrutinized. For instance, climate research is often associated with quantitative methods from what anthropology calls an 'etic-perspective' (a misconception that apparently has been reproduced in moral climate research), whereas organizational culture research is said to depart from an 'emic-perspective' using qualitative data emerging from the population participating in the research[26]. However, culture research may benefit from quantitative approaches, just as climate research may reap the harvest of qualitative research (complicated by how culture and climate are defined in their mutual relationship, as will be discussed in chapter 3 when addressing the climate-culture controversy).
To make the situation even more complicated, it should be noted that qualitative methods can be applied within a functionalist approach, whereas quantitative methods may not be uncommon within an interpretive approach. However, this complication may be considered as a helpful step towards the point of triangulation. Apparently, there is a pragmatic space that allows choosing methods from other paradigms because paradigms do not prescribe unequivocally how to conduct research, whereas the choice of methods will be based on pragmatic grounds (the problem to be investigated with a certain purpose in a certain situation with certain conditions) instead be determined by paradigmatically grounded regulative principles. Put briefly, paradigms and methods underdetermine each other, and therefore should be considered as perspective that rather be complementary than mutual exclusive (Smaling, 1992; Swanborn, 1990, 71-72).
In sum, the state of the art is dominated by a functionalistic approach at the neglect of other conceptual and methodological perspectives.
In addition, there are more difficulties in conducting moral climate research. In several areas, problems occur in conducting fruitful moral climate research, conceptually, empirically,

practically, and philosophically, to be discussed subsequently hereafter.

(1) As will be demonstrated in the next chapters, in moral climate theory conceptual problems have not been properly solved yet. Is 'moral climate' one concept, or is there a conceptual wilderness in which many moral climate concepts and possible typologies derived from it dwell? When we look over the fence of climate and culture theories of a more general kind, the situation is even worse while explaining the difficulties of moral climate concepts. Unclear or ambiguous concepts often are unreliable guides in empirical research: if you do not know what exactly you are looking for, units and levels of analysis will be chosen ill considered, leading to results hard to put a value upon. Nevertheless, for the time being we should reckon with a nomadic way of life concerning a rhizome-like moral climate concept.

(2) In conjunction with conceptual issues in moral climate theory, apart from the methodological issues mentioned afore, *empirical* problems exist, including the search for refined procedures to prevent various forms of bias, in particular respondent bias (a) and due to level and unit of analysis problems (b).

(a) *Respondent bias* may take the form of *social desirability bias*, especially when self-reporting techniques are used. However, there is more to it. Sampling errors may lead to other forms of bias, such as elite bias. Of special interest are the ways in which is dealt with different types of bias, more in particular social desirability bias (Randall & Gibson, 1990; Treviño & Weaver, 2003, 305-308). This type of bias arises either because of personality characteristic (self-deception in order to see oneself in a positive light, need for social approval, and impression management by deliberately falsifying responses in order to create a positive impression) or as an questionnaire item characteristic (perceived desirability of the behavior). This "faking in order to look good" tendency is problematic because it may mask the relationship between two or more variables (a suppressor effect), provide a false correlation between independent and dependent variables (a spurious effect), or moderate the relationship between those variables (a moderator effect). Especially in research in which people are inquired for their perceptions of (im)moral behavior of themselves and others, unreliable answers are likely to occur, because of the bias mentioned afore, but also out of fear, loyalty, or organizational myopia (Fernandes & Randall, 1992; Nederhof, 1985; Randall & Fernandes, 1991, 805-806; Weber, 1992, 150-151). Even newcomers can hardly avoid this myopic condition, because in making sense of their new experiences into some personally meaningful structure, they adjust their own self-perceptions and behavior to accommodate the new setting, and in doing will show a tendency to adopt the attitudes and world-view of the group of which the new member becomes a part (Rousseau, 1988, 153).

Other types of respondent bias may and will occur as well. When respondents are asked for their perceptions or assessments (of, for instance, organizational phenomena), they might tell more than they in fact (can) know (Nisbett & Wilson, 1977). When, for instance, people who seldom leave their own working place are asked about their perception or evaluation of corporate moral climate or culture, they might unwarrantedly extrapolate their experiences from their own working place to the whole organization, thus telling more than they (can) know. This may be a specific variant of the so-called "Heisenberg-type effect", meaning that the measurement procedure itself may suggest connections to subjects that were not apparent

to them before.
It may also occur that a higher level of introspection of reflective competence is asked than respondent can offer, for instance regarding their motives. Answer are swiftly given, but according to one of the main principles of psychoanalysis, people seldom have access to their genuine motives, these being multi-layered and unstable and often conflicting as well. In addition, probable few people are capable of thinking in terms of processes (like cause-effect processes, and changes in perceptions, motives and assessments), because of removal in time, the shaky character of memory, and the myopia mentioned above (organizational cultures or subcultures might in fact have their own implicit theories or assumptions about causal relations). More specific in moral climate research, the question is whether people scoring low on moral judgment development tests, can have a proper view of the reality of organizational morality, because of the limiting impact of their style of moral reasoning on their ways of perceiving and assessing the organizational context.
(b) Bias due to *level and unit of analysis problems* may be detrimental to results of climate research. Level of analysis refers to the size and type of unit associated with a particular measured variable, theoretical construct, theoretical construct, or overall analysis (Glick, 1980, 19). In climate theory, different levels of analysis are chosen, including the individual level, the group level, and the organization level, possibly leading to different conceptualizations of climate (as will be explained in more detail in chapter 3). In moral climate research, the same issue may be at stake. Is moral climate considered at individual level, at group level, or at organizational level? Furthermore, how are data aggregated and interpreted? Is it possible to collect and infer data at one level and use them to infer relations at other levels? If so, how can bias be prevented (Glick, 1980, 21)? These questions point at a final source of bias concerning the level of analysis issue and the unit of analysis issue. It should be noted here that these terms are often used interchangeably, possibly due to conceptual ambiguities or lack of clearness, however, possibly leading to confusion. By definition, a unit of analysis is the class of objects that is the explanatory focus of an investigation, whereas the level of analysis refers to the size and type of unit associated with a particular measured variable, theoretical construct, or overall analysis. Are unit boundaries set properly, is the proper level of analysis chosen, and are justified conclusions inferred from one level to another, leading to cross-level discrepancies? In a multi-level (possibly also multi-variable) approach, theoretical units and levels should match the units and levels of design, measurement and analysis in terms of a composition theory that specifies how a construct operationalized at one level of analysis is related to other forms of that construct at different levels of analysis. All levels bring in their own specific variables. Individual perceptions should be carefully aggregated, and cautiously used to describe groups, departments or the entire organization to prevent cross-level discrepancies and 'fallacies of the wrong level' (like the ecological fallacy) due to direct translations of properties or relations from one level to another (Dansereau & Alutto, 1990, 194-197; Glick, 1980, 18-19, 22, 28; Glick, 1985, 602-606; James, 1982, 220, 223, 228; James, Joyce & Slocum, 1988; Roberts, Hulin & Rousseau, 1978, 83, 87-88, 92, 103).

(3) There are also many *practical* barriers for conducting empirical moral climate research. The

expectation is that at least of number of these barriers may be understood better and subsequently taken with more ease with the help of foundational inquiry.

- A thorough research project is rather time and money consuming, and only of interest for management when it is imbedded in a broader change program and directed at practical aims. Here, methodological rigor is not only at odds with practical relevance, ethnographic research is practically impossible, as this implies the presence of a researcher within the organization (or department) under investigation for about a year asking nasty questions and doing participant observation while formulating revealing and often embarrassing findings (Sanday, 1979, 527).
- Another important barrier is even more difficult to take: not every organization is equally accessible for moral climate research. In fact, few are[27]. When conducting his *Moral Mazes* study, Jackall (1988) was denied access to 36 organizations before successfully gaining access, an experience instructive in itself. Jackall learned quite a lot about corporate morality simply through trying to gain access. His experiences underscore the significant difficulty in gaining access to perform ethics research. However, there is more to it, since a certain bias may occur, when only those organizations of which management is 'ethical sensitive', that is, does have a sincere concern of doing things morally right, will be prepared to engage in moral climate research.
  Alternatives like 'laboratory situations' with controlled conditions (Aquino, 1998; Weber, 1991; Treviño & Weaver, 2003, 310-313), and research with easy accessible groups like managers on MBA-programs, or access on basis of personal relationships with managers (Nijhof, 1999; Snell, 1993), differ substantially from research in real situations under everyday conditions (and feel, for instance, economic pressure breathing down) (Maclagan, 1996).
- Larger companies are also often difficult to access, especially when they have business ethics consultants of their own and hence are reluctant from interference from outside. To smaller companies moral climate theory and research is probably a rather new issue that might evoke a certain timorousness, for instance because of an expected reactivity of research: once invited to answer questions about the moral qualities of their organization, people might expect a follow up program or at least some improvements. Anyway, there will be an inherent tension between scientific demands and practical possibilities to carry out moral climate research.

In all cases, reflection upon conceptual and methodological/empirical foundations may be helpful to design thorough, fruitful, and attractive moral climate research.

(4) Finally, there are philosophical considerations with respect to the common empirical approach mentioned above, along with recommendations for a foundational approach. In the first place, it is not very simple to find unambiguous general methodological criteria for evaluating theories. Explanatory power, comprehensiveness, parsimony, degree of veracity, testability, empirical confirmation, falsifiability, and fruitfulness are well known, but not unproblematic candidates sometimes entangled in conflicting relationships. Secondly, underlying foundations (such basic ideas, models, and guiding principles) need to be examined, because these foundations do matter, in a twofold way: principles constitute

> objects, based on an ideal of knowledge. Principles constitute objects of moral climate theories by indicating what phenomena need to be examined. The ideal of knowledge indicates where and how has to be searched for those factors that lead to better understanding or explanation of the phenomena to be examined. Therefore, it does indeed matter for research design and intervention programs as well, whether moral climate is defined as a structural property of an organization, or as an aggregation of individual perceptions of the ways in which moral decision- making takes place. In this sense, principles have a heuristic function. Hence, it is impossible to evaluate theories without evaluating their foundations as well. Theories proved to be the best on general methodological grounds, need not be appropriate, that is, and need not give legitimated faith in the relationships found when foundations remain unexamined (Veling, 1983, 188). This implies that apart from the value of theories, the value of foundations of theories needs to be determined as well. Here, two criteria are important: the theoretical fruitfulness and the degree of appropriateness of foundations (basic ideas and guiding principles). These criteria operate independent of each other. A principle that generates many hypotheses and thus has a wide range of phenomena accounted for, may be called fruitful, but needs not be appropriate because of a disappointing lack of insights gained. On the reverse, a principle found to be appropriate because it considers every aspect of relevant reality, needs not be fruitful at all because of a lack of testable hypotheses. Because the assessment of theoretical fruitfulness does not make the evaluation of the appropriateness redundant, the evaluation of foundations has to take place along both lines.

Because of the troublesome state of the art, and accompanying conceptual questions, methodological and empirical difficulties, practical barriers and philosophical objections and considerations, in this study a foundational inquiry approach is chosen, yet recognizing that the final word has to come from sound empirical research. In fact, in line with Kohlberg's "boot-strapping" approach, philosophic analysis and (re)construction of the moral climate concept must precede empirical enquiry (the first track in my approach). Then, because the results of empirical can confirm, revise, or enrich initial assumptions, concepts, and research methodologies, the findings discussed in chapter 5 may have impact on my initial views (the second track of my approach). In the early Nineties, when I got interested in organizational culture and business ethics, empirical studies on moral climates (and correlates) were few. Fortunately, in the last decade, a large number of research projects on the subject of moral climates have been completed, along with the drawing up of theoretical frameworks. In every research program[28] at some moment the need is felt to mark time and prepare the accounts, that is, see what we have so far and assess its worth in order to develop moral climate theory.

Within this context, foundational inquiry of empirical research and theories seems to be a promising course of action, with great practical use for theory, research and practice of business ethics and strategic management, for instance because it helps to uncover inconsistencies in theories and possibilities for cross-fertilization. At this moment, the literature does not show heavy debates or a severe battle of schools within moral climate theory. Instead, we meet a number of relatively independent research projects, with the typology of Victor and Cullen being

the dominant orientation. However, the finding that the bulk of moral climate theory and research falls back on Kohlberg's theory of individual moral development, though in diverging ways, suggests a possible diversification in foundations for theory-building, research and the scope of intervention programs, a diversion that may eventually lead to competition between rivaling theories and research orientations. The investigation of this supposed diversion in foundations and guiding principles is precisely is the aim of this study.

One of the main tasks in foundational inquiry as conducted here is the systematic examination of basic assumptions (foundations and principles) of moral climate theory, research, and intervention programs. As this seems to be quite a theoretical matter, the eventual practical orientation of the study needs to be stressed, and the qualities of its product outlined. Though foundational inquiry starts from practice and is practical in the end, it does not lead immediately to concrete advice for the practice of (in this study) strategic management (including organization development and institutionalizing business ethics). Giving concrete directions requires indeed (empirical acquired) knowledge of specific circumstances and normative decisions that cannot be directly inferred from conclusions of foundational inquiry, though directions can be pointed out at the foundational level. The practical impact of foundations inquiry is creating and limiting space for formulating and justifying empirical and normative choices for strategic management. A foundational inquiry is a meta-theoretical reflection on the points of departures and assumptions of theories and practices in a certain domain, field or subject, for instance, moral climate. This reflection can be thought of as a comparison of principles to gain insight in differences and similarities, strengths and weaknesses concerning their appropriateness and fruitfulness. Nevertheless, within limits suggestions for improvement are possible, but necessarily only of a more general kind and in an indirect way. It should be kept in mind that foundational inquiry is a reflection on the foundations and the consequences of the ways aspects of reality are conceptualized. It is not in the first place a 'debate about things', but rather a 'debate about our speaking about things'. Foundational inquiry is helpful to practice: it helps us to make implicitly held convictions and assumptions explicit and clear, and it can thus have consequences for the way problems in practice have to be tackled (Snik, Van Haaften & Tellings, 1994, 294).

2.3 Methodological aspects of foundational inquiry

After having explained the use of foundational inquiry, in this section, an account is given of its method. Essentially, foundational inquiry consists of the following five steps: (1) material analysis, (2) analysis of foundations, (3) criticism of foundations, (4) justification of foundations and (5) if necessary and possible, recommendations for improvement on the foundational level. In foundational inquiry, not every step needs to be taken in full detail, depending on the research interests and purposes.

(1) Material analysis

The first step, material analysis is a careful and exact description and a thorough content analysis of a relevant and representative selection of texts (books, articles, research reports) that make up

the data of foundational inquiry. In this study, the material to be inquired consists of books, research and review articles on moral climate theory and similar concepts, like 'moral atmosphere', 'moral culture', 'moral ethos', and 'ethical (work) climates', 'climate for ethics', and 'justice climate'. Those contributions that are in line with the much quoted studies of Victor and Cullen (1987;1988) deserve special attention because this research shows some features of a developing research program, if not of a dominant moral climate paradigm standing on its own. Unlike in meta-analysis in the strict sense, foundational inquiry need not and must not exclude methodological weak studies, to create the largest possible database to foster comprehensiveness and representativeness, and, even more important, because weak studies have also have foundations to explore. One should only exclude irrelevant studies, that is, studies not focusing on areas and relations of interest (Hunter & Schmidt 2004, 469, 472). Furthermore, material analysis offers the opportunity to reveal superficial genealogical patterns of (lack of) development by examining who refers to or ignores which authors ("scoring and tracking"). Material analysis can identify canonical texts of central authors often cited and detect both "border authors" connecting various areas of research and isolated authors in the field of interest. It can disclose both inertia and change of authors over time as well changes in their influence and eminence (brightening as well as dimming of reputations), and perhaps unlock paradigm shifts (McCain, 1986; 1990; White & Griffith, 1981, 163,165; White & McCain, 1998, 327, 328)[29].

The main concern in describing, analyzing, and discussing material is making a fair, that is, careful and accurate description of the contents of the texts under review. Description and analysis have to meet scientific requirements in about the same way as in empirical research. In the first place, descriptions have to be *reliable*. The findings, opinions, beliefs, and considerations to be analyzed have to be described in every relevant detail. In case of rival texts, claims and counterclaims, protagonists and antagonists call for equal attention. Furthermore, descriptions need to be valid: they must represent correctly what needs to be described. Descriptions of theoretical formulations, opinions and empirical results do really need to reflect the initial meanings and intentions, and may not be deformed into caricatures, or infected by, perhaps doubtful, personal interpretations of the researcher. The suggestion is that the authors of the texts to be examined and discussed can recognize themselves with approval in every detail of the descriptions given (Snik, Van Haaften & Tellings, 1994, 295). Therefore, in the description of the contributions to moral climate theory discussed on the CD-ROM, the precise formulations used by authors are reproduced as much as possible[30].
In content analysis, the relevant implicit factual and normative presuppositions need to be made explicit, argumentations reconstructed and evaluated on their tenability (are there missing premises, do conclusions follow?), and flaws and fallacies identified. Description and analysis is more than "let the text speak for itself". To prevent an unspecific, impressionistic reading, a format for systematic review has been developed. This format consists of categories that reflect the guiding questions and claims presented in the previous chapter, for the most part in a one-to-one relationship. Conceptual and typological issues are combined (2.4 and 2.5), while empirical, evaluative, and interventional issues are discussed taken apart (2.6). A preliminary category is added concerning the context, purpose and assumed theoretical, empirical, and practical relevance of the text in review as indicated and explained by the author(s). Most of the texts are

meant to fit into a normative business ethics context aiming at the improvement of organizational morality in an explicit way, mostly not intended as an aim in itself, but as a means foster the effectiveness of the organization and its competitive advantages. Reduction of unethical behavior, enhancing job satisfaction, and improving organizational outcomes are some of the goals to be reached through moral climate and intervention. Since the turn of the century, many authors refer to business scandals as a source of inspiration (Enron, Parmalat, the bank and insurance industry, to mention only two of the many examples), as well as the growing consciousness of the public regarding moral issues. The purpose of still other texts is model and/or questionnaire construction. Texts can be intended to be a critical reaction to other texts that figure in some discussion, or be a further elaboration of the work of others, being part of some research program. Contributions to moral climate theory are seldom generated by a desire to create better organizations from a moral perspective as the sole aim. In most cases, moral climate primarily has instrumental value for organizational effectiveness and is considered from a functionalistic perspective on organizations. Nevertheless, the reasons and relevance of conducting moral climate research it worth noting since it may shed some light on the rationale behind research designs. The concluding lines of this chapter are followed by an overview of the format and its constituting research questions that constitute

(2) Analysis of foundations

The second step is the clarification, reconstruction and analysis of foundations (such as basic ideas, guiding principles and underlying models), as they appear in the use of core concepts. Concepts, conceptual systems, and foundations are related in ways that are sometimes unexpected. Concepts are part of a conceptual system that is decisive (constitutive as well as limiting) for the way reality is experienced and conceived[31] and acted upon. Foundations are the variant, absolute presuppositions that determine the way in which conceptual systems are structured[32]. Furthermore, foundations are decisive for what will be considered correct and incorrect approaches and correct and incorrect reasons in scientific and practical enterprises. Foundations have implicit ontological views (in the domains of philosophical anthropology, political philosophy, meta-ethics, or philosophy of science) and determine the way we conceive reality. Foundations can be characterized as the hinge points in specific conceptions of (parts of) reality. In many debates, core terms or concepts have this hinge function, and precisely these central concepts and their foundations can and will be the essentially contested concepts between parties involved (Snik & Van Haaften, 2001). Foundations sometimes take the form of metaphors or slogans, for instance, the computer metaphor for cognitive processes in general, and in the case of organization theory: 'organizations as organisms', 'organizations as brains', or 'organizations as prisons' (Morgan, 1986; Bennink, 2007). However, also other metaphors are conceivable: 'organizations as just communities' (Kohlberg, 1985; Higgins & Gordon, 1985), 'organizations as holding environments' or 'organizations as dreamscapes'.

The analysis of foundations aims at explicit formulation and clarification of the principles of, in this study, moral climate theory, moral climate research, and moral climate intervention practice. An important question concerns the number of possible foundations. In other words, is it possible to construct an exhaustive catalogue of foundations? Because there is an unlimited series

of possible subject matters for scientific and practical discussion, such a catalogue seems to be endless as well. On the other hand, many discussions (in social science) seem reducible to a small number of foundational domains. This line of thought comes close to the typology of foundational questions Habermas presents in his *'Theorie des kommunikativen Handelns'* (1981, 576ff). In fact, there are five domains of foundational debates:

(a) the relation between facts and values
(b) the controversy between explanation and understanding ('Erklären' versus 'Verstehen')
(c) the relation between action theory and systems theory
(d) the theory - research relationship
(e) the theory - practice relationship.

Similarly, Treviño and Weaver (2003, 48) point at incommensurable paradigms choosing their ontological, epistemological, and methodological options from among the various dichotomies generally thought to affect organizational inquiry, including the dichotomy between description and prescription, between structure and agency, determinism versus voluntarism, causation verses meaning, holism versus individualism, object versus subject, and so on.

However, other classifications of foundations are possible, inspired by the very few types of classical interrelated foundational questions one can ask:

- What is the world like (ontological foundations)?
- How can we know the world (epistemological and methodological foundations)?
- How should we act upon the world (normative foundations)?
- How can we act upon the world (practical foundations)?

In fact, these four questions are tantamount to the issues in moral climate theory that were discussed briefly in the previous sections: conceptual and typological issues (ontological foundations), empirical issues (epistemological and methodological foundations), evaluative issues (normative foundations), and interventional issues (practical foundations).

In a similar vein, Burrell (1996, 650) arranged central debates in social theory in terms of four dimensions:

The subjectivist approach to social science	The subjective - objective dimension	The objectivist approach to social science
Nominalism	← Ontology →	Realism
Anti-positivism	← Epistemology→	Positivism
Voluntarism	← Human nature →	Determinism
Ideographic	← Methodology →	Nomothetic

In the course of this foundational inquiry, positions in foundational debates (actual, potential or hypothetical) within moral climate theory will be identified that can indeed be arranged in terms of these foundational domains.

There are no specific methods of foundational inquiry as a form of meta-analysis; it is in fact similar to the work of detectives and demands an analytic competence to cover up assumptions and principles and arranging them in order to gain deepened and enriched theoretical and practical insights. This detection work implies that at some places tacit foundations and principles

have to be reconstructed from the material. In this sense, hermeneutic methods (like systematic empathy) can and need to be used[33], and in doing so, a position is taken in the Erklären-Verstehen controversy with regard to the reading of texts.
More specific, in this study out of the material analysis different positions emerge or can be reconstructed, in terms of which contributions to moral climate theory can be arranged. In moral climate theory however, explicit debates are few, so that different positions in actual discussions can hardly be juxtaposed[34]. Nevertheless, different features of moral climate theories can arranged into a limited number of positions taken with regard to the way the theory is drawn up. In that phase of foundational analysis (and criticism), the focus is no longer on authors and their texts, but on abstract positions taken in factual, potential or hypothetical debates.

To give an indication of what can be thought of with regard to positions in moral climate theory, the five issues mentioned can be recalled. These issues need to be considered against the undeniable paradox addresses by structuration theory that occurs in organizational research and development: people create, maintain, and control organizations, yet organizations a life of their own and often overshadow, constrain, and manipulate their members. Who controls whom in the person-situation interaction? Which is the primary cause and which the derivative? Intervention methods have assumptions concerning the way moral climate and with it, employee moral reasoning and moral behavior can be influenced: through influencing individuals, changing organizational conditions or both. Anyhow, the direction of the changes advocated can be chosen with the help of evaluative categories. This implies a proper knowledge of the present moral climate based on thorough methods of investigation that on their turn have their own foundations. However, of course, the main point is that we have a clear understanding of what we are looking for in organizational reality. For instance, concerning the ontological status of 'moral climate' and related epistemological questions, in (moral) climate theory two main positions can be distinguished. The one position implies the notion that a moral climate is the aggregate of individual perceptions, and therefore a construction. The other position maintains the view that a moral climate is an objective organizational property or attribute to be detected, described, and analyzed. On their turn, both positions include assumptions regarding the person-situation interaction, and have far reaching implications for both research methodology methodological consequences as to how moral climate research is conducted (qualitative versus quantitative methods; unit and level of analysis) and programs of interventions (concerning their point of application: structure interventions versus interventions directed at changing individual moral conduct).

(3) Internal criticism

In the stepwise approach of foundational inquiry, the third step is to criticize decisive positions, foundations, and justifications from an internal point of view, aimed at detecting internal inconsistencies in concepts or foundations. This means that concepts and their foundations are not described to leave them as before, but to challenge, rethink, criticize or justify them in careful argued evaluation. This validating activity takes place on two levels: one level is the inquired theory (for instance the theory of Victor and Cullen). The other level concerns the foundations and principles (for instance concerning the view on morality or organizations, or the best way to

conduct moral climate research) (Van Haaften & Snik, 1995, 166).

This means looking for counter-intuitional facts and experiences, and, more important, considering positions, foundations and justifications with respect to their theoretical, empirical and practical consistency and appropriateness. Within the limits of this inquiry only some of the most relevant foundational issues can be considered, this foundational analysis concentrates on conceptual and evaluative foundations. Meanwhile, the developmental character of moral climate theory is examined carefully. The central question in internal criticism (and external criticism as well) is: is the conceptualization of moral climate advocated by a certain author the best possible conceptualization (based on the most consistent and validated foundations and principles and their justification) and is this in the end the best way to get a theoretical, empirical and practical grip on organizational morality? It may be found that the list of contributions to moral climate theory presented above may indeed have a developmental character, when straight stages in the development of positions can be delineated in and progress towards more theoretical soundness and practical use throughout theses stages can be demonstrated and justified. However, first external criticism needs to be considered as well.

(4) External criticism

The fourth step is external criticism of positions, foundations and justifications, that is, not from within a certain theory (or paradigm), but of the theory (or paradigm) itself and its foundations and principles, from an external point of view, aimed at detecting external inconsistencies with other conceptualizations and foundations, and of course, external reality in general (Van Haaften & Snik, 1995, 162).

Internal criticism is not supposed to lead to serious problems of incommensurability. However, the greater the divergence of contributions to moral climate theory, the more likely problems of incommensurability will occur. Because in this study several divergences from Kohlberg's theory are examined and discussed, problems of incommensurability can be expected and cannot be left out of consideration. Furthermore, explicitly embraced or tacitly held images of organization in moral climate theories can differ in their presuppositions and assumptions that need not be commensurable in every respect (Scherer, 1998, 1999).

However, problems of incommensurability are not expected to bring about a total communication breakdown, and it was never the intention of, for instance, Thomas Kuhn, to promote such a point of view. One possibility is the translation of terms of one theory in those of another (Veling, 1983, 193-194). Another way is trying to reach consensus about the kind of phenomena, events and developments to be examined and explained and what counts as adequate ways of explaining and criteria in use (Van Haaften & Snik, 1995, 165). Especially in this respect, is to foster agreement about some dictionary of important concepts and constructs, as is proposed by McKinley and Mone (1998, 176-184). Different theories may turn out to be complementary instead of mutual exclusive rival theories, as they throw light on different aspects of the same object (Morgan, 1986). In the case of central debates, like the justice-care debate (of Kohlberg and Gilligan, and their respective associates), discussions are possible, and even reconciliation or mutual learning occurs. In this sense, external criticism is not only possible, but can also be very fruitful, when perspectives are considered complementary.

However, not every external criticism will be fair. It always possible to criticize authors from quarters they are unfamiliar with or even deny. For this reason, moral climate theory is not criticized from the perspective of, say, psychoanalysis, since this body of knowledge, however extremely relevant, is not commonly accepted yet in moral climate theory and research.

General ethics, sociology, climate and culture theory, stakeholder theory, integral approach and contingency theory, and legal theory constitute the main, plurivocal, external perspectives from which moral climate theory is criticized. It is to be kept in mind, however, that criticism has its own foundations that are shared or not shared with the positions criticized. This means that justifications in a discussion of a foundational critique (or in the case of proposed rescriptions, see below) may themselves be based on other underlying and perhaps deeper foundations in turn (Snik & Van Haaften, 2001).

(5) Conclusions and suggestions for improvement

The fifth step consists of drawing conclusions and formulating suggestions for improvement with regard to (foundations of) moral climate theory formulation, moral climate research, and moral climate intervention. The possibility of a developmental character of contributions to moral climate theory cannot be excluded. Sometimes, new fundamental insights are attained that are qualitatively different from positions taken earlier, leading to new ways of approaching and conceptualizing 'moral climate', in which case foundational development takes place. It can be said that foundational structures form a developmental pattern if the qualitatively different earlier structures are necessary (though not sufficient) conditions of the later one(s) (Van Haaften, 1997b, 49-51; Van Haaften & Wren, 1997, 5).

Suggestions for improvement can imply a rescription of core concepts in a more fruitful fashion, but also the introduction of new concepts or a rearrangement of conceptual relations based on foundations considered more appropriate and fruitful. Suggestions can concern the practice of research and of intervention methods as well. It goes without saying that suggestions for improvement do have their own foundations (basic ideas and guiding principles) and justifications (as indicated above), intended to be better one, that is: more consistent and more appropriate (Snik, Van Haaften & Tellings, 1994, 298)[35].

At the core of foundational inquiry lies the opportunity of criticism, either internally or externally. In order to criticize moral climate theories and their foundations, one needs criteria. These criteria should cover all the issues distinguished in chapter 1: conceptual, typological, empirical, evaluative, and interventional issues. The next section addresses possible candidates for criteria for evaluating moral climate theories and their foundations.

2.4 Criteria for evaluating moral climate theories

2.4.1 Introduction: theories and types of criteria

A working definition, a tentative indication of the subject of this study - the 'something' that influences individual and collective moral reasoning (both content and form) and behaving in

organizations - is necessary for reasons of marking off, confining and focusing, and of course, to describe, measure, and analysis the phenomenon scrutinized. Moreover, an appropriate working definition functions also as a point of reference for analyzing moral climate theories and as a criterion for evaluating these theories.
Moral climate theory badly needs clear (though not rigidly fixed) concepts, distinct typology, proper research methodology, sound criteria for moral climate evaluation, and well-justified and effective programs of intervention. In this section, I will return to the conceptual, typological, empirical, evaluative, and interventional issues addressed in the first chapter in order to arrive at a useful of criteria to judge moral climate theories by. Criteria for a 'good' moral climate theory (not to be confused with criteria concerning a 'good' moral climate) need to be formulated in order to make a fair evaluation of contributions to moral climate theory.

A theory is a statement of relationships between variables, units observed or approximated in the empirical world. Descriptions using theoretical terms answer questions of what, theories answers questions of how, why, when, and why, and where. Propositions involve relations between constructs, whereas hypotheses (derived from propositions) concern measures of the relations among the variables (Bacharach, 1989, 497; Whetten, 1989, 490-492).

Theories are constricted by bounding assumptions, mostly based on the researchers' perspectives and values regarding science and its role and function in the world, as well as boundaries concerning space and time.

- Concerning perspectives and values, for instance, as was noted afore, culture theory and moral climate theory alike are often approached from the perspective of functional integration - climate and culture as integrating mechanisms serving the interests of management - to enhance organizational effectiveness, possibly at the neglect of developmental and emancipatory perspectives.
- *Spatial* boundaries are conditions restricting the theory to specific units of analysis (for instance, specific types or organizations or industries). In the present study, I consider moral climate as a general phenomenon. The research population is not restricted to, for instance, health care organizations, sales organizations, or the tourist industry (though some authors on moral climate discussed in the research section do prefer to make specifications). The rationale behind a general approach is the cautious tendency of moral climates converging into one dominant community climate type, as will be discussed in chapter 4.
- *Temporal* boundaries may be found in excluding historical or longitudinal research. Extant moral climate research does not include longitudinal projects or repeated surveys over time, probably due to practical hindrances in carrying out this type of research.

No evaluation of a theory is possible without a specification of the criteria by which theories are evaluated. At this point, a troublesome issue arises related to the observation that within the broad range of culture and climate theory and research (including moral climate theory and research) paradigms appear to have their own set of criteria to judge their theories by. Various possibilities in dealing with this issue include:

(1) there are only general criteria to judge theories coming from any paradigm
(2) each paradigm has its own independent set of criteria (as they differ in ontological, epistemological, methodological, and meta-theoretical respect)
(3) each paradigm applies general criteria in its own special way (because of the differences aforementioned)

(4) each paradigm focuses on one or more of the general criteria, depending on its special features
(5) each paradigm focuses on one or more of the general criteria, depending on its special features while applying the criteria in its own special way.

Probably, the fifth option reflects best scientific reality, though we could make it ourselves more comfortable. General criteria for theory evaluation seem to be developed within a functionalist paradigm, and since the main part of the moral climate research is conducted from this paradigm - using quantitative methods -, these general criteria probably fit theories of moral climate theory. However, in order to not preclude future interpretative theories of moral climate[36], in the following discussion of criteria, specifications need to be made with regard to (the meaning of) criteria that are emphasized within the interpretive paradigm as opposed to functionalist approaches while noting some differences between qualitative interpretive methodology and functionalist quantitative methodology.

In general, two clusters of criteria often mentioned concern *truth* (with *falsifiability* as its methodological counterpart) and *utility,* the former cluster specifying whether a theory is constructed such that empirical refutation is possible, the latter indicating its usefulness. Both clusters of criteria have their idiosyncrasies, as will be discussed hereafter, both in general and specified according to the assumptions of paradigms they come from. This discussion will take place in four subsections. In the first subsection (2.4.2), I will discuss the "truth" cluster of criteria, in the second subsection (2.4.3) I will address the question as to which type of concept more climate is when related to these criteria. In the third section (2.4.4), I will explore the "utility" cluster of criteria, by answering the question "useful to whom?", more in particular in terms of developmental orientation. Finally, in the fourth section (2.4.5), I will outline an overall heuristic model for moral climate research.

2.4.2 The "truth" cluster of criteria

Concerning truth, subject to special scrutiny within the interpretative paradigm is the criterion of *objectivity*. More than in other approaches, researchers and theory builders are their own instrument (for instance, in their sensitivity, mindset, social skills, level of empathy as "detached commitment"). Of course, interpretive research is subjective because it focuses on the subjective world of the respondents and their personal way of perceiving, experiencing, and giving meaning to their world. However, this is not the issue to address here. Scientific observations should be detached and impartial, verifiable and virtually reconstructable and replicable, based on (if possible, algorithmically) regulated discipline made explicit, and aim at intersubjective concordance among those involved. In short, theories of moral climate should not suffer from the idiosyncrasies of their constructors, that is, be free from error and personal bias through prejudice because of age, sex, race, ethnic origin, cultural background religious and political persuasion, or because of the hazards of "going native" (Smaling & Maso, 1990; Swanborn, 1990).

At this point, one might put forward, that the functionalist perspective on moral climate is - despite its pretensions - far from objective, since its primary focus is on the functionality of the organization (its effectiveness, or, in its most small-minded fashion, shareholder value), an issue

to be addressed briefly hereafter.

More specifically, criteria mentioned in research literature include generalizability and specificity, explanatory and predictive power, accuracy or precision, conceptual clarity, reliability, construct validity, internal consistency and logical adequacy, comprehensiveness, parsimony, connectivity, orderliness, intersubjectivity, and fruitfulness for further research.
Concerning construct validity, the responses from alternative measurements of the same construct must share variance (convergent validity), while the identified objects of analysis must not share attributes and must be empirically distinguishable from one another (discriminant validity). In determining convergent validity, the theorist must confirm that evidence from different sources gathered in different ways all indicate the same or similar meaning of the construct (as in methodological triangulation). In determining discriminant validity, the theorist must confirm that one can empirically differentiate between the construct from other (similar) constructs and that one can point out what is unrelated to the constructs (Kerlinger, 1973, 463).

If the constructs are sloppy, the way these constructs and their variables are assembled into propositions and translated in hypotheses is irrelevant, and their explanatory and predictive power small. As Bacharach (1989, 501) puts it:
"All parts of a bridge may fit together perfectly, but if this bridge is constructed of 'silly-putty', it is not a good idea to drive over it".
As will be pointed out in the present study, "moral climate" is by its nature a fuzzy construct, or even a conglomeration of related concepts. One might even ask whether it concerns one construct or many, redundant, overlapping, or even contradictory (see chapter 6 for further discussion). In this sense, the idea of a moral climate rhizome was introduced in chapter 1 to indicate the sum of possible connections between aspects of moral climate, including antecedents and consequences.
Propositions and hypotheses should be logical and empirical adequate, that is, non-tautological from a logical perspective, and leading to operationalized hypotheses. For a proposition or hypothesis to be falsifiable, the antecedent (independent variable) and the consequent (dependent variable) may not be epiphenomenal. That is, the sheer existence of the antecedent may not automatically imply the existence of the consequent. Clearly, this issue is related to the issue of discriminant validity and to the question of how constructs are defined (Bacharach, 1989, 505).
Furthermore, concerning logical adequacy, theorists must incorporate in propositions and hypotheses an explicit statement of whether the antecedent is a necessary, sufficient, or necessary and sufficient condition for the consequent. This type of specification determines the nature of the data required to adequately test the hypotheses and to arrive at valid explanations answering 'why questions' as well as predictions. As we will see in the overview of moral climate research in chapter three, research taking moral climate as the independent variable may lead to circular findings. These findings are in fact a defining character of moral climate, that is, implied by it. In fact, they may fall short of logical adequacy. This failure may also occur when the propositions and hypotheses are not specified in terms of necessary and sufficient conditions. Finally, an empirical adequate theory is one in which the propositions and hypotheses are operationalized in such a way that the theory can be subject to disconfirmation, and hence can be falsifiable

(Bacharach, 1989, 506).

Especially the criterion of *comprehensiveness* - are all relevant factors included? -, and the criterion of *parsimony* - are those factors left out that have little additional value to our understanding? - may be competing. As was posited in chapter 1, comprehensiveness does not mean all including. A descriptive theory connecting moral climate with virtually everything would probably not be a good theory at all, because the map approaches the area, making theory as complicated as reality itself, calling in mind that the function of a theory is preventing the observer from being dazzled by the full-blown complexity of natural or concrete events. On the other hand, researchers confining themselves to one single explaining factor may see too little at the risk of the underspecification of reality. Especially in interpretative moral climate research, everything may seem relevant when research questions are too broad, while in quantitative moral climate research only those variables are included that can be measured easily. Nomadic wandering around through the conceptual field of moral climate may be more helpful than a foreclosed rigid definition.
Parsimony and comprehensives are about focus and range or scope. According to Bacharach (1989, 506-507, 509), for adequate scope and focus, the variables included in the theoretical system must sufficiently, though parsimoniously, tap the domain of the constructs under analysis, while the constructs must, in turn, sufficiently, though parsimoniously, tap the domain of the phenomenon studied. This is because constructs and variables with broader scope allow propositions and hypotheses to have greater overall explanatory power at the expense of accuracy and parsimony of narrow focus. Scope can be defined as the range of phenomena encompassed by the theory, whereas parsimony is the ration of hypotheses to propositions. Theories accommodating a wide range of objects of analysis are preferably to theories with a more limited scope that only focus on a single variable. Given the range of phenomena encompassed by a theory, a theory with a higher ratio of hypotheses to propositions is preferable to one with a lower ratio (for instance, a theory where each proposition covers five hypotheses may be preferable to a theory where each proposition covers only two hypotheses). However, sometimes knowing all about little may be better than knowing little about everything, depending on the purposes of the research. There are few theories meeting all evaluative criteria theory. Instead, a theory may be acceptable in one respect (comprehensive scope) and the expense of not be acceptable in another respect (falsifiability). In any case, the role of theory is the integration and simplification of experience. A theory that approximates this ideal best (that is, a parsimonious theory) is preferable to a theory that does less to reduce the complexity of the empirical world (Bacharach, 1989, 509, 510). The question then is how comprehensive and parsimonious moral climate theories are, and with which consequences.

Theories should have both explanatory potential and predictive adequacy to be fruitful, addressing the questions of the how and why of the underlying psychological, economic, or social dynamics and processes (Whetten, 1989, 491). The explanatory potential of moral climate theories can be compared based on (a) the specificity of their assumptions regarding objects of analysis, (b) the specificity of their assumptions regarding determinative relations between independent (antecedent) and dependent (consequent) variables, and (c) the scope and parsimony

of their propositions and hypotheses. Therefore, the degree to which an antecedent is a necessary and/or sufficient condition for the consequent should be specified, and possible reciprocal relationships and feedback mechanisms identified, instead of understanding them naively as linear. Predictive adequacy is the degree to which propositions and hypotheses approximate the reality of the complex empirical world. In other words, the predictive adequacy of a theoretical system must be judged in terms of its ability to make predictions within delineated spaces and time (Bacharach, 1989, 507-510).

A final set of criteria for theory evaluation concerns the question of how a given theory fits in with other preexisting and apparently related theories, for science to be cumulative. In this respect, Bacharach (1989, 511) describes two qualitative dimensions*: connectivity* and *transformationality*. Connectivity refers to the ability of theory to bridge the gap between two or more different theories, thus explaining connections between the domains of other theories. In this way, through both nomadic wandering and disciplined scientific deliberation, new knowledge is created and a more nearly continuous mapping of the empirical world is achieved by constructing nomological networks, in line with the rhizome-like nature of the moral climate concept.

Hellriegel and Slocum (1974, 258-259) suggest three classes of contingencies in climate research: type of technology, type of subsystem, and type of external environment. In fact, because of its eclectic character, in moral climate theory, connections can be explored with all kinds of organizational theories, for instance, typologies of organizational configuration (for instance, Mintzberg, 1983), the theory of organizational culture of Handy (1976), the typology of competitive organizational strategies of Schuler and Jackson (1987), Duncan's (1972) typification of the characteristics of the organizational environment, theories concerning the learning organization (Senge, 1990), the theory of leadership styles of Hersey and Blanchard (1993), a typology of forms of capitalism, a typology of forms of competition (Hampden-Turner & Trompenaars, 1994), types of organizational reward systems (Jansen & Von Glinow, 1985), to mention only a few of the numerous possibilities. In chapter 5, these connectivities are identified, whereas in chapter 6, a selection of these connecting theories is included exemplary in the proposed moral climate theory and research model.

A theory is transformational, if it causes or permits preexisting theories to be reevaluated in a new light. Theories may even have the potential to change the older, established theories they were built upon, much in line with the idea of rhizome. As Kaplan (1964, 297) puts it:

> "A new theory requires its own terms and generates its own laws: the old concepts are not merely reorganized, but reconstituted, the old laws are not just connected, but given a new meaning".

From this perspective, an appropriate moral climate theory may reassess the moral aspects of theories of organizational culture.

Both connectivity and transformationality can occur by formulating propositions that relate both theories and their constructs based on a scientific attitude of openness and flexibility, and accuracy and exactness, all necessary to enhance scientific creativity (Bacharach, 1989, 511-513). What does this imply for the conceptual, typological, empirical, evaluative, and interventional issues regarding moral climate theory? In the next subsection, I will explore the nature of 'moral climate' as a composite, complex, and complicated construct.

2.4.3 Moral climate as a complex construct

In its essence, according to Morgeson and Hofmann (1999, 250-251), terms such as 'moral climate' refer to an underlying theoretical construct. A construct is a hypothetical concept that refers to phenomena that are directly observable, and whose existence remains in the world of conception. Constructs are simply abstractions used to explain some apparent phenomenon. Constructs can generally be thought of as conceptual notions whose existence cannot be but inferred from more observable actions or features of an entity. Constructs function as heuristic devices for making sense of observables; they are implicitly defined in terms of a network of associations with observables as well as other constructs, as was already discussed in chapter 1.

Moral climate can be considered a *collective* construct, in which the adjective 'collective' refers to any interdependent and goal- directed combination of individuals, groups (both formal and informal), departments, organizations, or institutions. The heuristic model to be outlined in subsection 2.4.5 is applicable to any set (or grouping) of entities and, thus, represents a general and overall model for describing moral climate (research).

Constructs that reside at the collective level of analysis represent descriptions of collective phenomena. A fundamental component of collective constructs in general and the moral climate construct in particular is *interaction* as a vehicle explaining how the phenomena attempted to be captured in collective constructs emerge in collectives and influence the interaction of individuals and collectives. The idea is that the moral climate can take on structural properties that can exert influence that is independent of the interaction that initially caused it to emerge, showing permanence that can subsequently influence individual and collective action. That is, the constructs that emerge can have a reality that is partly independent of the interaction that gave rise to it. Giddens (1993, 128-129) calls this the 'duality of structure', that is, social structure is both constituted by human agency and yet is at the same time the very medium of this construction. Structure is simultaneously a flow of ongoing action and a set of institutionalized traditions or forms reflecting and constraining that action (Barley, 1986, 80). In short, structure is both a product of and a constraint on behavior. Acknowledging this dual nature allows us to understand not only how collective constructs emerge, but also how these constructs can influence interaction. In the of moral climate, this means it should be studied as a system of interaction among organizational members and collectives about moral issues (Morgeson & Hofmann, 1999, 251, 252, 253), considered as a 'double interact' (Weick, 1979), a jointly produced behavior pattern which lies between and transcends the individuals involved. In this view, collectives are open interaction systems, where actions and reactions determine (and possibly change) the structure of the system through a series of ongoing events between the component parts (individuals, collective patterns of moral argumentation, and structural properties of the organization). In sum, moral climate emerges, is codified, routinized, and transmitted, and persists or is changed through the interactions of members of the collective (even when those who were initially involved have left the organization). From an empirical perspective, Morgeson and Hofmann (1999, 257) offer an essential research guideline that applies to moral climate research:

> "The investigation of constructs at the collective level could begin with an understanding of the

> interaction of organizational members. Because these interactions allow collective constructs to emerge and be maintained, focusing on the interactions that define and reinforce the collective phenomena can provide a better understanding of how collective phenomena arise and continue, particularly in the face of contextual or membership changes. Such understanding is facilitated by explicitly identifying systems of ongoings and events, particularly those events that lend structure to collective phenomena."

An important issue concerns the *multilevel* nature of collective phenomena, since they consist of both individual and collective elements, insofar as any collective is made up of individuals. According to Morgeson and Hofmann (1999, 261), this requires clearly distinguishing between the level of theory and the level of measurement. The level of theory describes the target (individual, group, or organization) that the re searcher or theorist is attempting to describe and explain. As such, it concerns the level at which constructs and theoretical relations are hypothesized to exist and the level to which inferences are to be drawn. The level of measurement describes the actual source of data. It is possible for constructs and theoretical relationships to reside at one level (for instance, the group), while actual measurement occurs at another level (for instance, the individual). As we will see when analyzing contributions to moral climate theory, many researchers try to establish relationships across levels, while undertaking individual-level measurement of a collective construct. Morgeson and Hofmann (1999, 261) offer an important research guideline for dealing with this issue:

> "When operationalizing collective constructs, researchers may justifiably collect individual-level data. To collect data that are meaningful at the collective level, however, one must have a conceptual rationale for the level of measurement chosen. Inferences at the collective level will be facilitated by focusing on collective phenomena, framing questions in collective terms, treating individuals as informants about collective processes, and focusing on the role of individuals in terms of the wider collective."

- *Taxonomy of multidimensional constructs*

Often, aside from being multilevel, (collective) constructs cannot be but multidimensional. Law, Wong, and Mobley (1998, 741) refer to a construct as multidimensional when it consists of a number of interrelated attributes or dimensions and exists in multidimensional domains. According to these authors, the dimensions of a multidimensional construct can be conceptualized under an overall abstraction, and it is theoretically meaningful and parsimonious to use this overall abstraction (for instance, moral climate) as a representation of the dimensions. Since the dimensions both enrich and constrain- the understanding of the overall multidimensional construct, a necessary condition for a multidimensional construct to be well defined is that the relations between the overall construct and its dimensions must be specified. Without a specification of these relations, one cannot derive the overall construct from its dimensions and can only conduct research at the dimensional level, even though these dimensions are claimed theoretically to be under an overall construct. One of the evaluative criteria that can be applied to evaluate contributions to moral climate is the tightness of the construct used, though it is recognized in chapter 1 that conceptual foreclosure should be avoided.

In their taxonomy of multidimensional constructs, Law, Wrong, and Mobley (1998, 741-742) distinguish four ways in which a multidimensional construct can relate to its dimensions: latent

model, aggregate model, profile model, and unclassified model. Both the meaning of a multidimensional construct and its nature may be different under these four models. The major purpose of Law et al. for proposing a classification system for multidimensional constructs is to challenge researchers to define the relations between a multidimensional construct and its dimensions clearly. Without specifying these relations, the various dimensions are simply a collection of related variables, and there is no need to label them as components of a multidimensional construct.

The taxonomy of Law, Wrong, and Mobley is based on two decision rules – relational level and relational form. Relational level indicates whether the multi dimensional construct exists at a deeper and more embedded level than its dimensions or whether it exists at the same level, as a combination of its dimensions. In the former case, the multidimensional construct is an unobservable construct that underlies different dimensions. Each dimension of the multidimensional construct is a different manifestation or realization of the construct. Conceptually, one can think of the multidimensional construct under this condition as a higher-order abstraction underlying its dimensions. Multidimensional constructs belonging to this category are labeled as latent model.

If the multidimensional construct exists at the same level as its dimensions and is defined as a combination of its dimensions, instead of as a latent construct underlying its dimensions, it is necessary to invoke the relational form criterion. This criterion indicates whether the multi-dimensional construct can be formed as an algebraic function of its dimensions. This rule for classification applies only if the multidimensional construct does not exist at a deeper conceptual level than its dimensions. In some multidimensional constructs, the dimensions of the construct can be algebraically amalgamated into an overall representation of the construct. Law et al. label constructs in this category as aggregate model. In other cases, because of the theoretical nature of the construct, the multidimensional construct is interpreted as various profiles formed by pairing the characteristics of different dimensions. Here, levels of the multidimensional construct are determined by profiling levels of each of the dimensions. The authors label this as the profile model of multidimensional construct. Finally, there are some multidimensional constructs in the literature for which the relations between the overall construct and its dimensions are not specified, the unclassified model. For example, Hofstede (1984) develops four dimensions of the culture of a society, including individualism, power distance, masculinity, and uncertainty avoidance, though without a theoretical discussion of the relations of these cultural dimensions with the multidimensional construct of culture.

Obviously, moral climate is a multidimensional construct, more likely of the unclassified model type. However, Law, Wong, and Mobley (1998, 746, 749, 751) argue that multidimensional constructs for which relations with their dimensions are not specified, are not well developed. The relation between the construct and its dimensions is a necessary element in the definition of a multidimensional construct for at least three reasons: (1) definition the research questions, (2) theoretical parsimony, and (3) relations with other constructs. Moral climate theoretician and researchers may take over the suggestion of Law, Wong, and Mobley to make organizational culture meet the requirements of the profile model. This can be done by developing different profiles of moral climate and test the relations between well-chosen independent and dependent variables under different moral climate profiles, and by specifying various levels of their

dimensions and interpreting the construct by profiling the levels. Usually, researchers using the profile model will artificially dichotomize each dimension and use different combinations of the dichotomized dimensions to form various profiles of the multidimensional construct (as, for instance, in the moral climate model of Snell, 1993). Considering theoretical parsimony, only when the interrelations between a multidimensional construct and its dimensions are specified, it is possible to derive overall and parsimonious conclusions about the role of the multidimensional construct in its nomological network, more in particular in relation to other related or similar constructs.

- *Thick and thin descriptions*

Apart from the model under which constructs can be arranged, constructs can be described and defined according to a continuum of theoretical depth and richness, ranging from thin to thick. The terms 'thick' and 'thin' description - originating from Gilbert Ryle (1968) - were used most famously by the anthropologist Clifford Geertz in his seminal contribution *"The Interpretation of Cultures"* (1973, 3-30) to describe his method of doing ethnography - using Ryle's 'winking' example to explain the terms 'thin' and 'thick' - and are used since then in a variety of fields. A thin description describes only the phenomenon itself, whereas a thick description explains the context of the practices and discourse within a society including its meaning, going beyond the obvious and superficial. A thick description of a human behavior is one that explains not just the behavior, but its context as well, such that the behavior becomes meaningful to an outsider. According to Geertz, the task of the anthropologist is to give thick descriptions of cultures. The essential task of theory building is not to codify abstract regularities but to make thick description possible, not to generalize across cases but to generalize within them. The distinction between thick and thin descriptions can also be used in a broader sense, for instance in describing and analyzing moral climate. In the present study, the terms thin and thick description will be used to explore the moral climate construct in the sense as represented here.

- *Pairs of constructs versus typological approaches*

According to Hage (1972, 44), there are two kinds of constructs worth illustrating. The first type of construct is what can be called the ideal-types or pairs of constructs approach. Examples are pairs of constructs such as Tönnies' Gemeinschaft versus Gesellschaft, Durkheim's organic versus mechanic solidarity, Riesman's inner-directedness versus other-directedness, Albert's Anglo-Saxon versus Rhineland model of capitalism, Nietzsche's Dionysian versus Apollonian type, and, of course, Geertz's schematic distinction between thick and thin description. This type of construct asks for a logical consistent image of each type consisting of its defining characteristics in terms of multiple dimensions (Doty & Glick, 1994, 233, 237) considered essential and allowing some degree over over-emphasizing certain aspects to better picture the phenomenon. This image can be either a precise thick or a thin description, though for proper understanding, the definition of an ideal type asks for an elaborated characterization that includes a specification of underlying causal connections, that is, preferably in terms of a thick description. The second type of constructs involves one or more typologies, relatively organized sets of variables or non-variables (dimensions) containing implicit theoretical statements. In a typology, characteristics are identified and arranged into types, using one criterion (or dimension) of

classification (a fundamentum divisionis) or one complex of criteria (or dimensions) for classification. In case of a multiple criteria, typologies consist of two or more connected and clearly delineated dimensions or variables that can be best described as constructs that are "coherent packages of attributes" or "unique combinations of features" that apply to the same unit of analysis. Doty and Glick (1994, 232, 234, 243) consider typologies as complex theories developed to predict variance in dependent variables. Typologies go beyond classification schemes because typologies identify ideal types of phenomena (for instance, organizations) based on underlying constructs with hypothesized relations, whereas classification systems specify decision rules to categorize organizations into mutually exclusive and exhaustive sets, without explanatory and predictive value. In the present study, underlying concepts incorporated in moral climate types concern climate (and culture) and moral reasoning (on its turn consisting of moral horizon and forms of moral position taking).

The construction of a typology is not very easy, since a typology should have its theoretical assumptions made explicit and justified, be complete (define and completely the set of ideal types using the same set of dimensions in making descriptions as thick as possible) and yet be parsimonious (that is, have as few types as possible), each type considered as a structured whole, distinct from the other types included (Doty & Glick, 1994, 246-247). From this perspective, a pair of construct may be considered as a typology consisting of only two types. Constructing typologies is also difficult because each useful typology exists in the tension between several requirements in order to arrive at typical configurations, that is, both meaningful and useful syntheses from multiple attributes. In sum, i a meaningful and useful typology, types must be logical consistent, that is, mutually exclusive and jointly exhaustive, and theoretically explained and justified.

A typology can be produced by substruction and reduction (Hutjes & Van Buuren, 1992, 138-139; Kluge, 2000; Lazarsfeld, 1937; Lazarsfeld & Barton, 1951; Marradi, 1990, 143-144). Substruction of an underlying property space means, as Lazarsfeld & Barton suggest, that a researcher by systematically matching two or more dimensions tries to reconstruct the complete range of logical possibilities. Substruction shows in terms of which dimensions types differ, and which of the possible cells in a matrix have been overlooked. When the logical possibilities have been determined by substruction (identifying all possible configurations), the next step of typology construction is logical, empirical, or pragmatic reduction to those coherent patterns that really matter. From the scheme of all logical possibilities, the definite typology is arranged by selecting those types that are relevant to the research ends. It may be the case that some logical combinations from the match may not be that logical at all. Therefore, a logical reduction needs to take place, by eliminating those self-contradictory combinations. Those combinations that are empirically empty of with low empirical frequency may be excluded or taken together pragmatically, for instance, for not being interesting enough as separate types. Logical reduction of types devoid of conceptual interest is always a proper course of action, whereas one should take care of an empirical and/or pragmatic reduction carried out too hastily. It may be the case that exactly these less frequent types may be helpful in understanding the phenomenon to be caught in the typology (Hutjes & Van Buuren, 1992, 139). For instance, Stage 6 and Stage 7 moral reasoning may not occur very frequently, yet these stages cast an interesting light upon moral development and its possible end state. Nevertheless, reduction consists in lowering the

number of types, and therefore the intellectual complexity of the typology. According to Marradi (1990, 144, 145, 154), this is properly done not by eliminating some types - which would also take exhaustiveness away - but by combining two or more types into a type of wider extension and less articulated intension. In any case, the goals of the researcher are - or should be - the foremost consideration in constructing a useful and fruitful typology. These goals frame the evaluation of the degree of semantic proximity between fundamenta and between classes thereof, which in turn controls the process of aggregation of types.
Typologies may consist of multiple dimensions; each dimension is a separate variable that is meaningful in its own terms. However, as will become clear in chapter 5, many authors writing on moral climate confuse types and dimensions while not choosing deliberately between composition models to arrive at justified conclusions regarding types.
In moral climate research, moral horizon and form of moral position taking are the core dimensions (the fundamenta divisionis), each of which taking different values in a complex typology. In the level of types, each moral climate should be clearly different from other types. However, in reality, moral climate profiles may be a mixture of one or more moral climate types. A moral climate profile will be either strong or weak, depending on its purity. Delineated types are homogeneous and hence strong and possible hard to change, whereas mixed types are heterogeneous, weak, and prone to change (though depending of the specific features of this climate type).
The last issue regarding types forming a typology is the internal connection of the meaning of these types (Kluge, 2000, 6-7). Are types gradual forms of an underlying construct? Are types independent, or is there another underlying connection, such as hierarchy, genealogy, or development? In a Kohlberg based moral climate theory, climate types may relate to each other in a developmental order. As chapter 5 shows, this developmental order of climate types is often abandoned resulting in a lack of both conceptual clarity and practical fruitfulness.
Both approaches, pairs of types and typological, can be found when considering the moral climate construct. The pairs of constructs can be found wherever the ethical organization and the unethical organization are juxtaposed as being characterized by a moral and an immoral climate, respectively. Please note that here moral climate is used in an evaluative meaning. As will be discussed in the research section of the present study, those authors using the term moral climate in an evaluative sense, have an implicit and sometimes rather thin description of what '(un)ethical' means, seldom built upon on clear notion of morality.
The typology approach can be found whenever moral climates are arranged into a typology, in a descriptive manner, to indicate the diversity of how in organizations is dealt with ethical issues. Important questions then are as to in terms of which dimensions this typology is drawn up, how types are related, and whether the typology is both *comprehensive* (are no relevant types ignored or omitted?) and *parsimonious* (do we have few types enough?).

- *Moral climate as a multifaceted variable*

While pairs of constructs and typologies are mainly descriptive attempts to arrange phenomena, it does not explain in terms of causal relations. In order to explain phenomena, we need a model with independent, dependent, and intervening (either moderating or mediating) third variables to grasp these causal relations between variables from the basic idea that "something somehow

produces something else" (Galtung, 1967, 36). The causing variable is the independent variable (that can be manipulated in experiments[37]), while the effect variable is the dependent variable. The problem in models, in any model, is the role and function of intervening variables that moderate or mediate between the independent and the dependent variable. In its simple sense, intervening or third variables are all those conditions that impede attributing all differences in the dependent variable to the independent variable (Fox, 1969, 454). The question is, apart from selecting these variables from the universe and defining them, how to conceptualize and measure their influence, that is, determining how they moderate or mediate, and why. Any variable can moderate or mediate, so the point is, between what and what an alleged intervening variable mediates or moderates. This is important to note, since in some moral climate contributions, moral climate is treated as an intervening variable. Before entering this issue, it should be made clear what is meant by moderating and mediating. According to Baron and Kenny (1986, 1173-1174, 1176, 1178), these terms should not be used interchangeably. These authors prefer to differentiate between two often-confused functions of third variables:

(a) The *moderator* function of third variables, which partitions a focal independent variable into subgroups that establish its domains of maximal effectiveness in regard to a given dependent variable, and

(b) The *mediator* function of a third variable, which represents the generative mechanism through which the focal independent variable is able to influence the dependent variable of interest.

A moderator is a qualitative or quantitative variable affecting the direction and/or strength of the relation between an independent or predictor variable and a dependent or criterion variable. With respect to moderation, a variable z is a moderator if the relationship between two (or more) other variables, say x and y, is a function of the level of z. This definition indicates an x by z interaction, or a non-additive relation, where y is regarded as a probabilistic function of x and z (James & Brett, 1984, 310).

In the more familiar analysis of variance terms, a basic moderator effect can be represented as an interaction between a focal independent variable and a factor that specifies the appropriate conditions for its operation. Moderator variables are typically introduced when there is an unexpectedly weak or inconsistent relation between an independent and a dependent variable (for instance, a relation holds in one setting but not in another, or for one subpopulation but not for another). Moderator variables should be uncorrelated with both the independent (predictor) variable and dependent (criterion) variable to provide a clearly interpretable interaction term (Baron & Kenny, 1986).

Also put in general terms, a third variable may be said to function as a mediator to the extent that it accounts for the relation between the independent variable (predictor) and the dependent (criterion) variable. A mediator transmits influence from an antecedent to a consequence (James & Brett, 1984, 316). A complete mediation model has the form x → m → y, where x is the antecedent, m is the mediator, and y is the consequence. The antecedent x is expected to affect the consequence y only indirectly through transmission of influence from x to y by the mediator m. The indirect transmission of influence from x to y via m denotes that all of the effect of x on y is transmitted by m. In causal terminology, this state of affairs is described as "the effect of x on y is completely mediated by m", hence the term complete mediation model. Assuming linear and additive causal relations, the complete mediation model thus predicts that x has a direct effect on

m, m has a direct effect on y, and x is not related directly to y when m is held constant. If these predictions are empirically confirmed, it may be inferred that the complete mediation model has been corroborated. Therefore it is useful for attempting to explain how x is related to y through the intervening mediator m. Substantive explanation is a matter of elucidating the processes by which m is a linear, additive function of x, and y is a linear, additive function of m (James & Brett, 1984, 307-308, 310).

Mediating variables may be intrapersonal "in the head mechanisms", group-level mediator constructs including norms, role conflict, cohesiveness, or organizational-level mediator constructs including culture and formal structure. Whereas moderator variables specify when certain effects will hold, mediators speak to how or why such effects occur. Conceptual implications of the failure to appreciate the moderator-mediator distinction include the missed opportunities to probe more deeply into the nature of causal mechanisms and integrate seemingly irreconcilable theoretical positions. According to Baron and Kenny (1986, 1173, 1178), disagreements about mediators can be resolved by treating certain variables as moderators, or by treating mediators as moderators. Moderator effects may suggest a mediator to be tested at a more advanced stage of research in a given area, whereas conversely, mediators may be used to derive interventions to serve applied goals.

According to James & Brett (1984, 310), there exist a number of clear lines of demarcation between moderators and mediators, most of regarding their operational roles in research designs. In particular, the moderator model is represented by a single, non-additive, linear function in which it is desirable to have minimal covariation between the moderator and both the independent and dependent variables. In comparison, mediation models must be represented by at least two additive, linear functions m which it is desirable to have high degrees of covariation between the mediator and both the antecedents) and consequence(s). James and Brett (1984, 310) propose using the terms independent and dependent in moderator models, and antecedent and consequence in mediator models, because it is purposeful and indicates that moderation carries with it no connotation of causality, although a causal relation may be moderated. Mediation, on the other hand, implies at the minimum a causal order, and often additional causal implications are required to explain how mediation occurred. Finally, James and Brett (1984, 314, 316) suggest the term *moderated mediation* to denote that mediation relations are contingent on the level of a moderator and suggest the term partial mediation when a variable x has both a direct and an indirect effect (mediated by m) on variable y. This indicates that only part of the total effect of x on y is due to mediation by m (for a more advanced approach, see Preacher & Hayes, 2004; 2008).

In fact, all these formulations indicate *dynamics of causality*, a theme that can also be explored from a more substantial stance.

- *Dynamics of causality*

A final theme to address in this subsection concerns the dynamics of causality. A truthful moral climate theory should not only give true and thick descriptions of moral climate in terms of its constituting variables (antecedent, mediating, moderating, and consequent), it should also explain and predict the direction of the influence between variables in terms of their dynamics, if possible in generalizable terms. In its most simple form, a theory must be able to determine under which

conjunction of conditions a certain phenomenon (for instance, a specific moral climate profile) does or does not come into being.
At this point, many authors on climate or culture have their favorite ideas about causality that may apply to moral climate theory as well. These ideas may range from a radical deterministic structuralistic perspective to an overly optimistic voluntaristic action-oriented perspective, while from a structurationist point of view both structuralistic and voluntaristic instances need consideration as well interactional and discourse processes involved. Moral climate can both be maintained and changed by interaction. Since most climate and culture theories have a functionalist view, both their point of departure and focus are survival and viability of organizations. Although from a moral climate perspective of point of view this may be a one-sided position, for the moment, it may help us to identify patterns of causality. From both climate theory (I) and culture theory (II), some examples will be discussed briefly, starting with the etiology of climates.

(I) Schneider and Reichers (1983) developed an integrative conceptual scheme that was based on the symbolic interactionism of George Herbert Mead as the process through which individuals come to attach meaning to events. According to Schneider and Reichers, a coherent explanation of how climates emerge has not yet (in 1983, HB) been forthcoming. They consider such an explanation necessary for the complete understanding of the climate construct and fort facilitating further conceptual and methodological progress. Specifically, understanding the etiology of climates may guide researchers to a more complete resolution of the unit of analysis issue (1983, 25, 32).
Structural approaches to the etiology of climates emphasize the role of the organizational setting influencing people's attitudes, values, and perceptions of organizational events, and eventually, their actions. Climates arise from objective aspects of the work context, including the size of the organization, the degree of centrality or decentrality of decision-making authority, the number of levels of in the authority hierarchy, the type of technology used in production or provision of services, and the degree to which rules and policies constrain individual behavior. Climates differ across organizations as a function of the structural differences. This structural argument does not deny the influence of individuals in determining the meaning of organizational events, but give structural determinants primary consideration because of their "objective" nature (Schneider & Reichers, 1983, 1983, 25-25).
An example of voluntaristic approaches is the Selection-Attraction-Attrition approach to the etiology of climates, developed by Schneider. His point of view is that organizational processes such as selection in to the organization and individual processes such as attraction to the organization and attrition from the organization combine to produce relatively homogenous memberships in any one organization and hence a unanimous perception of the organization's climate (Schneider & Reichers, 1983, 26-27). The idea is that individuals are attracted to jobs and organizations that fit their personalities, enable them to implement their self-concepts, and from which they can obtain outcomes they desire, in particular need satisfactions. Individuals are engaged in a process of self-selection as they decide which organizations to approach for employment. On their turn, organizations frequently marshal considerable amounts of resources in order to attract the "right types", people whose attitudes, values, goals, and job performance

appear to be consistent with the expectations held in the organization. Climates differ across organizations as a function of the different types of people becoming members of the organization. Of course, from both sides misunderstandings may occur, since both individuals and organizations tend to present themselves in a favorable light, leading to possible mismatch followed by early leave.
In addition to structure-first and people-first approaches, Schneider and Reichers offer also a new Mead-based symbolic interactionist explanation, while holding the view that climate emerges out of the interactions member groups have with one another, with (newcomer) socialization and sense-making activities playing an important role. They suggest that their approach to the etiology of climates accounts for climate diversities between different groups within the same organization. Since meanings arise out of social interactions with others, and because members of the same work group are more likely to interact with each other than with members of other groups, different groups in the organization will generate different climate or meaning regarding events, practices, and procedures that may be constant throughout the organization. From this perspective, individuals, as opposed to structures, practices, and procedures are first causes in climate formation and change, in terms of mutual determination and reciprocal causality. In fact, this position formulated in these terms does not differ radically from structuration theory. According to Schneider and Reichers (1983, 32-34), all three approaches have different basic assumptions and hence have something to offer as explanations for the etiology of climates. It seems reasonable to expect that meanings people attach to organizational phenomena that are, at least in part, a function of these phenomena themselves (as structural consistencies overriding or diminishing individual differences). It seems equally reasonable to expect that the attachment of meaning to a situation depends upon personality characteristics, at least to some extent. Hence, climate may be conceptualized as the combined effect of personality characteristics in interaction with (or responding to) structural properties of the organization arising as adaptive responses to the environment. In addition, the symbolic interactionist perspective explains and specifies the nature and content of interactions that give rise to climates and that change them.

However, Schneider and Reichers do not pass beyond these general considerations of people enacting their environments. Ashforth (1985, 837-840), who also departs from a symbolic interactionist perspective, offers more while discussing work group processes of social comparison and social conformity that shape climate perceptions, support them normatively, and make them resistant to change. According to Ashforth (1985, 840, 843), the interactionist approach is primarily a cognitive approach inasmuch as it focuses on sense-making activities, which may or may be not directed through symbolic management (by means of selection, collective socialization, structured learning activities, the use of performance criteria, formalized career patterns, and the use of role models). Yet, these cognitive processes are complicated by two affective desires, the desire for social integration (gaining acceptance) and the desire to reduce anxiety. According to Ashforth (1985, 840-841), fulfilling these desires reduce the capacity of newcomers to affect the structure and processes. In other words, based on these affective components, newcomers are more readily to accept existing climate conditions. Therefore, Ashforth concludes, climates are more stable than implied by interactionist perceptions. Another implication of the role of affect is that perceptions and evaluations of climate mingle, which

forces researchers to pay special attention for possible bias.
Ashforth (1985, 844-845) also discusses the role of physical setting of all kind (including the arrangement of workstations and offices, the degree of privacy and mobility afforded, the arrangement of furniture and equipment, noise levels, and so on) affecting the locus, quantity, and nature of interactions, mostly on an implicit and subtle but pervasive basis.

An important element concerns the role of *culture* in examining the etiology of climate (Ashforth, 1985, 841-883). The culture concept may have literally consumed the climate concept. Though it lacks a widely shared definition, the culture concept involves taken-for-granted assumptions and values informing communal action and informs climate in two ways. First, it does so directly by helping individuals to define what is important and to make sense of their experiences. Second, culture informs indirectly through its very impact on the objective work environment – the raw material of climate perceptions and evaluations. In this sense, climate may be a cultural artifact, a more or less visible manifestation. Ashforth (1985, 842) notes that it may be surmised that the stronger the culture, the greater the impact on climate, and that it may be futile to attempt to understand or alter a climate without first considering the culture that may have given rise to it and likely sustains it. At this point, we must take an advance on the discussion of the climate-culture controversy in the next chapter, and conclude at this point, that both the climate and the culture tradition may shed light on dynamics factors. According to Ashforth (1875, 842-843), the understanding of the etiology of climates has much to gain from an understanding of the culture that likely informs them.

*(*II) To direct the thoughts about dynamics from the perspective of culture theory, the ideas borrowed from the culture theory of Schein are discussed briefly, as well as elaborations proposed by Hatch (1993). Schein's theory of organizational culture distinguishes between artifacts and creations, values and basic assumptions. Schein (1985, 19-20) considers culture as the solution to issues of external adaptation and internal integration that has worked consistently for a group and that is therefore taught to new members as the correct way to perceive, think about, and feel in relation to those problems. These solutions eventually come to be assumptions about the nature of reality, truth, time, space, human nature, and human relationships, then come to be taken for granted and, finally, disappear from awareness. According to Schein, the power of culture is derived from the fact that it operates as a set of assumptions that are unconscious and taken for granted.
In Schein's approach, both external influences and individual learning are important parameters in culture dynamics. Schein distinguishes between two mechanisms through which culture is learned, the first of which is social trauma model (aiming at reduction of anxiety and pain) and the latter is the success model (using positive reward and reinforcement). An important notice is that cultural dynamics is not a universal ongoing, but is rather related to different stages of development of an organization. The kind of change that is possible depends upon the flexibility of the organization and the degree to which it is either ready to change, because of some externally induced crisis (technological, economic, social), or through some internal force pushing toward change (Schein, 1985, 27).
Schein (1985) distinguishes several mechanisms that are active in respectively the birth and early

growth stage, the organizational midlife stage, and the organizational mature stage, as summarized in the table below.

Growth Stage	Function of Culture	Mechanisms of Change
I. Birth and Early Growth		
• founder domination	• distinctive competence • source of identity • organizational 'glue' • integration and clarity • emphasis on socialization	1. natural evolution 2. organizational therapy and cognitive redefinition
• succession phase	• culture as battleground • preserve or change	3. managed evolution through hybrids from within 4. management 'revolution' through outsiders
II Organizational Midlife		
• product development • vertical integration • geographic expansion • acquisitions and mergers	• subcultural flexibility versus cultural integration • crisis of identity, loss of key goals, values • opportunity for change	5. organizational development 6. technological seduction 7. change through scandals 8. incrementalism (step by step)
III Organizational Maturity		
• maturity of markets • internal stagnation	• constraint of innovation • preservation of past glory	9. coercive persuasion 10. turnaround
• destruction • takeover and reorganization • merger and assimilation	• basic culture change	11. reorganization, destruction, and rebirth

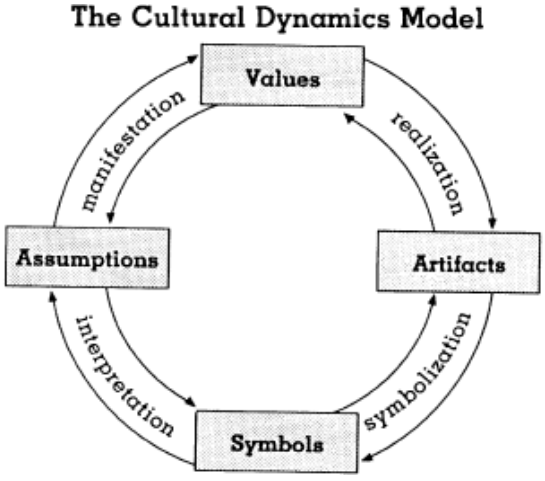
In any of these stages and the mechanism of change, it is top management that has key function in cultural dynamics, while in fact little is said about processes and mechanisms lying underneath or constituting these dynamics. Dyer (1985, 210-211) - expanding Schein's model with the category of perspectives (coordinated sets of ideas and actions persons use in dealing with problematic situations) put in between artifacts and values – also offers a model of the cycle of cultural evolution in organizations. Underneath this model lie three theories:

(1) Founders and other leaders bring with them a set of assumptions, values, perspectives, and artifacts to the organization and impose them on their employees.
(2) A culture emerges as members of the organization interact with one another to solve the fundamental problems of internal integration of group members and environmental adaptation.
(3) Individual members of an organization may become 'cultural creators' by developing solutions to individual problems of identity, control, individual needs, and acceptance that are then passed on to succeeding generations of members.

Dyer's model involves the following six steps involving a prominent function for leadership:

1. the leadership's abilities and current practices are called into question
2. breakdown of pattern-maintenance symbols, beliefs, and structures
3. new leadership emerges with an alternative set of assumptions
4. conflict and struggle for control between proponents of old and new cultures
5. the new leadership solves the crisis and becomes the new cultural elite
6. new symbols, beliefs, and structures institutionalize the new culture.

His model suggests that cultural change is triggered by certain crises that call into question the leader's ability to govern, which ultimately leads to a new culture based on a redistribution of power (though Dyer admits that not all crises lead to a new culture, and new leaders create a new culture). In fact, no single pattern exists, since each cultural pattern necessarily relates to organizational growth, market share, sales and profits, environment, stage of development, age, and size (and accompanying cultural diversification of subsystems). However, changing cultural patterns helps to adapt to major changes in their environments or changes within organizations.
As it seems, Hatch (1993) turns out to be quite unhappy with these formulations. In particular, the model of Schein leaves gaps that can be filled with ideas drawn from symbolic-interpretive perspectives. In her organizational cultural dynamics model, Hatch discusses processes of manifestation, realization, symbolization, and interpretation. These processes explain both change and stability in organizational culture, by answering the question how culture is constituted by assumptions, values, artifacts, symbols, and the processes that link them.
In the model of Hatch (1993, 660-661) represented below, one could begin anywhere and move in either a clockwise or a counterclockwise direction. Hatch starts arbitrarily with manifestation, while considering both the clockwise and the counterclockwise modes of that process, and then proceeds to realization, symbolization, and interpretation. She also makes two minor distinctions in terminology regarding the clockwise and counterclockwise modes, depending on whether these operate in the top or the bottom half of the model. In the clockwise direction, top-half modes are called proactive, whereas bottom-half modes are called prospective. In the counterclockwise direction, top-half modes are called retroactive, whereas bottom-half modes are called retrospective.
The model should avoid the impression of describing culture as the product of rather linear processes. Instead, it should be considered as a dynamic model. All of the processes co-occur in a continuous production and reproduction of culture in both its stable and changing forms and conditions. In other words, numerous instances of the cultural processes occur and recur more or less continuously throughout the cultural domain such that many different orders might be claimed, and even simultaneity can be claimed. According to Hatch, none of the processes can stand on its own while each needs the perspective provided by discussion of the others to be fully transparent.



(1) Manifestation refers to any process by which an essence reveals itself, usually via the senses, but also through cognition and emotion. Manifestation permits cultural assumptions to reveal themselves in the perceptions, cognitions, and emotions of organizational members. Proactive manifestation means that what organizational members assume to be true shapes what they value, whereas retroactive manifestation addresses the contribution of value to assumptions, by either maintaining or altering existing assumptions. Proactive manifestation is an imaginative act in which am expectation of the situation and its potential is produced via cognitions, emotions, and perceptions grounded in cultural assumptions. Retroactive manifestation updates assumptions to align with values that are actively acknowledged within the culture, a process that feeds into retrospective interpretation (Hatch, 1993, 661-662, 664, 665).
(2) Realization is defined as the process of making values real by transforming expectations into social or material reality and by maintaining or altering existing values through the production of artifacts. Proactive realization occurs to through activity that gives substance to expectations revealed by the manifestation process. It is the process by which manifest expectations are made tangible in artifacts. Retroactive realization addresses the post hoc contribution of artifacts to values and to expectations of "how things should be". Artifacts realized from values and expectations maintain or reaffirm these values and expectations, whereas artifacts produced by another culture or by forces not aligned with cultural values could introduce artifacts that retroactively challenged values and expectations (Hatch, 1993, 666, 667).
(3) Symbolization combines an artifact with meaning that reaches beyond or surrounds it. Based on the notion of surplus of meaning, symbolization is a prospective response linking an artifact's objective form and literal meaning to experiences that lie beyond the literal domain. Prospective symbolization is the process by which cultural symbols are made from associations between the literal experience of artifacts and surplus meaning, whereas the retrospective mode of symbolization enhances awareness of the literal meaning of symbolized artifacts. In both instances, symbolization produces reality, since organizational members are symbol manipulators that create and discover meanings as they explore and produce a socially constructed reality to express their self-images and to contextualize their activity and identity (Hatch, 1993, 669-673).
(4) Interpretation moves back and forth between the already known (basic assumptions) and the possibility of new understanding (inherent, but often dormant, in symbols). The possibility for revision of meaning exists throughout this cycle, with two possible results of interpretation: altered understanding of symbolic meaning via retrospective interpretation and revisions to cultural assumptions via prospective interpretation. Cultural dynamics suggests that interpretation contextualizes current symbolization experiences by evoking a broader cultural frame as a reference point for constructing an acceptable meaning. The prospective mode of interpretation maintains or challenges basic assumptions, whereas the retrospective mode reconstructs the meaning of symbols via feedback from the same interpretive move (as explained by the hermeneutic circle). The prospective interpretation process either meshes or collides with the retroactive manifestation process, showing that the explanation has at last come full circle (Hatch, 1993, 675).

The cultural dynamics model of Hatch shows how organizational members cycle back and forth between proactive/prospective and retrospective/ retroactive influences. It is one of few models describing underlying mechanisms concerning cultural dynamics and worthwhile applying to moral climate dynamics. As a point of criticism to her model, Hatch (1993, 682) mentions ambiguities concerning the level of analysis. I would add to this, that human action is hard to recognize in terms of concrete events in which the four processes occur and evolve through people deciding and acting from positions with or without power. A final point missing is attention paid to attempts to deliberately change culture. That is, when talking about culture change, no distinction is made between the transitive and intransitive meaning of change. That is,

there is no a clear theory about implementing change referring or using these four mechanisms. Hence, interventional issues remain unresolved at that point. Yet, moral climate theory needs to address these issues. Part of the 'truth criterion' is offering change agents conceptual grip concerning how it is (as a point of departure). In this sense, moral climate theory primarily is an "is-theory" and not so much a "do theory". In order to be a useful intervention theory, additional criteria – "utility criteria" – will be considered in the next subsection. .

As a conclusion, from the considerations above it can be inferred that

1. dynamics in moral climate research should focus on processes of adaptation to changes in the external environment, the role of leadership, and processes of socialization, as well as on external and internal possibilities and constraints for change.
2. both structure and human action should be considered, as well as the role of affect in people's desires for social integration and anxiety reduction, and the broader role of culture.
3. moral climate research should reckon with developmental processes in organization concerning its stage of development (founding stage, early growth, midlife maturation, and decline), and the effects of mergers and takeovers.
4. the mechanisms within the dynamics should be considered and be related to the actual moral climate of the organization and its constituting formal and informal subsystems; as will be become clear in chapter 4, the individual and collective stage of moral development determines the typical features of dynamics, both unintended and intentionally induced (in terms of intervention theories and methods).

After having discussed "truth" criteria in relation to conceptual (including dynamical), typological, and empirical aspects of moral climate theory, in subsection 2.4.4, I will turn now to the second cluster of criteria, the "utility" cluster. Thereafter, in section 2.4.5, I will outline an overall heuristic model for moral climate (research) that is built upon the considerations of the previous subsections.

2.4.4 The "utility" cluster of criteria

As a matter of fact, the criteria from the utility cluster appear not to be scientific at all at first sight, but rather deal with the use of scientific knowledge both before and after is has been established. From this perspective, the question can be raised: useful to whom and for what purposes? One of the possible purposes of moral climate research may be offering cues for the eventual development of moral climate. A developmental stance asks for additional criteria for moral climate theory to meet.

- *Additional criteria*

From a radical humanist paradigm (Gioia & Pitré, 1990, 588-589), other criteria for the evaluation of scientific theories are considered important. Candidates are *democratic* validity and *catalytic* validity (Anderson & Herr, 1999, 16; Brown & Tandon, 1978, 204; Lather, 1986, 67). Democratic validity refers to the extent to which research is done in collaboration with all parties who have a stake in the problem under investigation. If not done collaboratively, how are multiple perspectives and material interests taken into account in the study? In chapter 6, we will encounter this criterion once again as "member check", as an element of qualitative moral

climate research, with both advantages and disadvantages.
According to Lather (1986, 67), catalytic validity is the degree to which the research process reorients, focuses, and energizes participants toward knowing reality in order to transform it. Gioia and Pitré (1990, 588) report of an evaluative stance of theory building, freeing organization members from sources of domination, alienation, exploitation, and repression by critiquing the existing social structure (including moral climate) in order to change it.
These emancipatory notions are not restricted to respondents. In the case of moral climate research, moral climate researchers themselves must be open to reorienting their view of reality as well as their view of their researcher and (if applicable) practitioner (advisor) roles, too. All involved in the research should deepen their understanding of the social reality under study and should be moved to action to change it (or to reaffirm their support of it). The most powerful moral climate research studies could be those in which the researchers/practitioners recount a spiraling change in their own and their participants' understandings Anderson & Herr, 1999, 16).
From another corner, Witkin and Gottschalk (1988, 218-221) while examining general criteria for social work theory evaluation, suggest four additional criteria, based on additional evaluative standards. These authors advocate the position that theories addressing or corresponding to these criteria are, all else being equal, preferable to theories not meeting these criteria. These four additional criteria include:

(1) The theory should be explicitly critical.
(2) The theory should recognize that humans are active agents.
(3) The theory should account for the life experiences of the people involved.
(4) The theory should promote social justice.

Criterion (1) means that a theory is critical to the extent that it includes a reflexive element concerning its historical, cultural, and political/economical significance. Critical reflexive theory has a liberating potential because attempts to expose unquestioned, inherited truth, and proposes alternative conceptualizations. Normative and cognitive assumptions are explicitly interpreted in the light of a critique of the whole culture and society. Such theories contribute to the demystification of established power ant truth. Rather than viewing culture and historical biases as prejudices or obstacles to knowledge, they are understood as conditions thereof.
Criterion (2) demands that theories and evidence for theories be evaluative relative to their recognitions of human beings as active agents instead of beings reacting mechanically to stimuli (environmental or unconscious). People as agents are capable of reflecting on their actions, surmounting temptations and distraction to achieve objections, restraining desires as well as adopting new principles. Theories conceiving of people as agents acting in accordance with their beliefs and intentions, and that capable to self-transformation are preferable to theories denying freedom to act. From this perspective, personal meanings matter more than causal explanations.
Criterion (3) posits that social scientists do not have an exclusive or superior right to attribute meaning to human experience. To the extent that social science is about human action, it must take into account the meanings people infuse into their experience of the world. According to Witkin and Gottschalck (1988, 220), theories must promote self-understanding and liberation by making sense, not only cognitively, but also morally and politically. Within this context, liberation means the maximization of each individual's and each group's ability to act and give shape to their own destiny.

Criterion (4) – theories should promote social justice – is implied in the preceding criteria. To Witkin and Gottschalck (1988, 220-221), justice means the liberation of groups and individuals from the arbitrary control of others (much the same as in the radical human paradigm). It means the expansion of human rights and the legitimization of human variability, as well as providing opportunities to individuals and groups that are least advantaged and the promotion of the material and spiritual equality of all.
In sum, according to these criteria, theories that direct practice toward the promotion of social justice and human relevance have greater relevance for individuals, groups, organizations, and communities than theories lacking these purposes.
Mutatis mutandis, these criteria could apply to moral climate theory, to the degree, that contributions to moral climate theory have a developmental slant. As we will see, those authors remaining close to Kohlberg's initial cognitive developmental moral theory – having justice as its core concept – will better meet the emancipatory criteria than authors who seem the ignore the developmental aspects of the Kohlbergian paradigm. Especially, those moral climate contributions that have an increase of productivity and of organizational effectiveness as their primary interest may not meet these emancipatory criteria and be far from critical, while at the same time treating human beings as objects of manipulation instead of beings capable of self-transformation and creators of new meanings.
At this point, theoretical embarrassment may emerge, when descriptive and evaluative meanings are confused. Indeed, a decisive element is whether the concept of moral climate is used in a descriptive meaning or in an evaluative meaning. Authors using the concept in the latter meaning may show a tendency to promote ethicality of the organization and its employees, either from a developmental perspective or from some construction as 'the ethical organization' or 'the virtuous organization'. From a developmental point of view, these perspectives are entangled, as the following discussion of the meaning of development shows.

- *Developmental notions*

In case of a moral climate typology (consisting of at least two types of climate), the question is whether the moral climate types identified are considered from a *developmental* point of view, or are merely seen as contingent alternatives. Since the concept of development is far from unambiguous, it needs careful attention. In developmental notions, *qualitative change* is taken as the main definitional criterion for 'development'. In this sense, 'development' means (a) a process of (b) more or less gradual (c) change, (d) resulting in (what can be constructed as) one of more qualitatively different stages in a fixed order for which (e) the prior stages are necessary (though not sufficient) conditions. Development is different from growth. 'Development' contains the idea that something new comes about, while 'growth' means more of the same (Van Haaften, 1997a, 16, 18).
This notion of development does not defend some form of progressivism. The reconstruction and description of developmental stages does not imply the evaluation that later stages are better than the earlier stage(s) (for instance because their judgments are considered more adequate). Development does not automatically imply progress, as we can speak of an unfavorable development, without contradicting ourselves[38].
An *evaluative* claim is made about the type of pattern of development in question (or about

aspects of it), as being desirable or undesirable, and to be furthered or stifled (Van Haaften, 1998, 402). The evaluative aspect of developmental theories requires separate argumentation with an additional specific set of criteria according to which it can be decided that a certain stage is better (or worse) than another. With regard to issues within stages these criteria can be derived from that particular stage N itself, and in case of evaluation of development of stage-criteria, possibly from stage N+1 or an assumed ideal end-state (Lapsley, 1996, 44-46; Van Haaften, 1984a; 1984b; 1990, 65; 1997c), or from other, external sources. A further requirement is, that relations and differences between stages can be and are stated precisely (Van Haaften, 1998, 399, 402).
Morality is intrinsically connected with the notion of justification, while moral development has its own evaluative problems and suggested solutions. In chapter 4, the discussion of this issue is included in the representation of Kohlberg's theory of moral development.

The notion of development explained here does not necessarily include any idea of a pre-formed pattern with a definite end-state (as in evolutional or teleological theories), or some sort of structuralistic determinism (though, as we will see, Kohlberg's theory seems to include a developmental endpoint). Developmental stages remain open to learning processes, not only with regard to learning processes within a specific stage structure that are strongly determined by the character of that stage, but also with respect to 'structural learning processes' which result in the transition to a new stage (possibly leading to the adoption of additional judgment criteria). Structures, stages, and developmental patterns are thus only realized through the activities of persons, who are autonomous and free to varying degrees (Van Haaften, 1997a, 20, 21; Van Haaften, 1998, 403; Van Haaften & Wren, 1997, 9).
Following the suggestion of Habermas (1981, II, 218), a theory of (judgment) development consists of a logical and a dynamical part, to be distinguished sharply. Judgment development is conceived of as the type of cognitive development in which not only judgments, but also their justifications and foundations develop over time. That is, each stage has its own judgment structure, just as in Kohlberg's theory of moral development (Van Haaften & Wren, 1997, 6; Van Haaften, 1997a; Van Haaften, 1997b; Van Haaften, 1998, 399-400).
The first part, the *logic* of development, concentrates on the reconstruction, description, analysis and comparison of (a pattern of) developmental stages and their logical relations, including addition, substitution, modification, integration, mediation, in single, compound or combined modes (Van Haaften, 1998). The use of this logic of development is facilitating stage comparisons and evaluations by formularizing their possible relations in terms of the relations between their distinctive sets of judgment criteria. Although most theories of development have their focus on the description, analysis and explanation of the *dynamics* of development (for instance, through the mechanisms described by Hatch, 1993, discussed above), these explanations presuppose a well-defined pattern of the stages in question and a clear idea about the differences between stages and the logical relations between these stages. A logic of development cannot and does not pretend to take over the job of empirical research, because the latter is aimed the explanation of developmental processes, whereas a logic of development is focused on logical relations in and between stages and not what explains or stimulates these processes. Because a logic of development may turn out to be fallible (like empirical theories can), it imposes no a priori restrictions on empirical research, but can have a generative power.

An important issue concerning the logic of development is the possibility of '*branching*': the need to differentiate from a certain stage on two (or more) lines of development. They begin together as a single line, and divide, assuming that is still the same developmental process with a 'fork' in it, leading to logical divergence, and not to two or more separate developmental processes. In other words, is it more convenient (or elegant) to speak of one developmental pattern with two (or more) branches, than of two (or more) different developmental patterns with certain stages in common (Van Haaften, 1997a, 26-27)? The question of 'branching' is important in this study in three respects. In the first place Kohlberg's theory about moral development can be examined from the viewpoint of 'branching' (as is sometimes is with regard to the social and moral aspects of Kohlberg's theory) (this issue will be taken up below in some detail), and so are, in the second place, (types) moral climates when considered developmental. Finally, the development of (the foundations of) moral climate theory can eventually be seen in terms of 'branching'.

The second part, *dynamics*, a theory of development is concerned with the description of 'drivers', factual developmental processes of persons or collectives (for instance, concerning moral reasoning), and with the factors of their explanation, that is, their governing psychological and psychosocial principles and mechanisms (Van Haaften, 1997a, 23). The dynamic part of a theory of development describes and explains how a person makes the transition from one to another stage, and also, why some people (or groups, or organizations) get (temporarily or definitively) arrested in their development, or even make a regression or return to an earlier stage. For instance, Van de Ven and Poole (1995, 525) distinguish four ideal-type developmental theories concerning organizations, including life cycle, teleological, dialectical, and evolutionary theories, each with its own type of "motor":

1. For a *life cycle* motor, a singular, discrete entity exists that undergoes change, yet maintains its identity throughout the process. The entity passes through stages distinguishable in form or function. A program, routine, rule, or code exists in nature, social institutions, or logic that determines the stages of development and governs progression through the stages.
2. For a *teleological* motor, an individual or group acts as a singular, discrete entity, which engages in reflexively monitored action to socially construct and cognitively share a common end state or goal. The entity may envision its end state of development before or after actions it may take, and the goal may be set explicitly or implicitly. However, the process of social construction or sense making, decision-making, and goal setting must be identifiable. A set of requirements and constraints exists to attain the goal and the activities and developmental transitions undertaken by the entity contribute to meeting these requirements and constraints.
3. For a *dialectical* motor, at least two entities exist (each with its own discrete identity) that oppose or contradict one another. The opposing entities must confront each other and engage in a conflict or struggle through some physical or social venue, in which the opposition plays itself out. The outcome of the conflict must consist either of a new entity that is different from the previous two, or (in degenerate cases) the defeat of one entity by the other, or a stalemate among the entities.
4. For an *evolutionary* motor, a population of entities exists in a commensalistic relationship (i.e., in a physical or social venue with limited resources each entity needs for its survival). Identifiable mechanisms exist for variation, selection, and retention of entities in the population. Macropopulation characteristics set the parameters for microlevel variation, selection, and retention mechanisms.

Each theory the process of development is viewed as unfolding in a fundamentally different progression of change events and is governed by a different motor:

1. A *life-cycle* model depicts the process of change in an entity as progressing through a necessary

sequence of stages. An institutional, natural, or logical program prescribes the specific contents of these stages.

2. A *teleological* model views development as a cycle of goal formulation, implementation, evaluation, and modification of goals based on what was learned by the entity. This sequence emerges through the purposeful social construction among individuals within the entity.
3. In *dialectical* models of development, conflicts emerge between entities espousing opposing thesis and antithesis that collide to produce a synthesis, which in time becomes the thesis for the next cycle of a dialectical progression. Confrontation and conflict between opposing entities generate this dialectical cycle.
4. An *evolutionary* model of development consists of a repetitive sequence of variation, selection, and retention events among entities in a designated population. Competition for scarce environmental resources between entities inhabiting a population generates this evolutionary cycle.

Each substantial organizational change theory consists of one or more of these motors as drivers and the relations between these motors should be fully specified, for instance, nested, successive, or complementary (Van de Ven & Poole, 1995, 532, 534). However, since Van de Ven and Poole do not make a distinction between logic and dynamics of change, on a logical level, no theoretical parallels between, for instance, life cycle theories (for instance, the seminal and much quoted contribution of Greiner, 1972), and developmental moral climate theory can be assumed, though empirically, connections may be found between developmental stages of organizations and stages of organizational moral development. Furthermore, they do not make a distinction between the transitive and intransitive meaning of change. Nevertheless, their model of types of drives can be useful for moral climate theory, for instance by helping to identify what drivers make up the dynamics of developmental moral climate theory, in two ways. First, a small number of contributions considering organizational moral development can be examined for their drivers (for instance, Lavoie & Culbert, 1978; Petrick & Manning, 1990; Reidenbach & Robin, 1991; Sridhar & Camburn, 1993) (discussed in section 2 of the review part of the present study). Second, in the construction of a more sophisticated theory it can be helpful to determine which type of drivers should be included as variables in theoretical models and research designs. The outcomes of empirical research that do not support the logic, need not refute a specific logic of development, although a repeated lack of support should be taken as an indication that probably something is wrong with the proposed developmental pattern and reconstruction or redefinition is needed.

The connection of the logical and the dynamic part of a theory of development now can be explained briefly (Korthals, 1997a, 63-64; Van Haaften, 1997b, 50). Paraphrasing Kant, one might say that a developmental logic without a dynamic remains barren, because only in combination with the dynamic it can help to understand developmental processes. A dynamic without a logic, however, would be pointless and empty, and therefore, blind: describing and explaining processes of developmental ways presuppose some definition of that development in terms of at least two stages constituting the beginning and the (provisional) endpoint. In its reconstructive part the logic of development formulates a *standard* for the dynamic part to identify stages in developmental processes in a particular dimension or domain (for instance the moral domain). This implies that in a logic of development, stages are reconstructed properly and described punctually, and are sharply delineated in their logic. However, in the dynamic sense,

stage transition may be abrupt or smooth and gradually (or even continuously), as transitional processes may develop in a series of both spurts characterized by vacillation between the actual stage and its successor, and plateaus across stages. Developmental patterns often proceed from a period of consolidation at a given level, through a period of transition, in which an individual (or an organization) employs the structures of adjacent complexity, to another period of consolidation at the subsequent level (Dawson-Tunik, Commons, Wilson & Fischer, 2005, 170-171, 188), allowing a person or an organization being in two adjacent stages for some time. Therefore, moral climate theories with a stage character can be inquired after their developmental notions: not only their logic of development, but also the dynamic part of development in terms of motors of drivers, and the specific shape of development in terms of spurts and plateaus.

- *Development, evaluation, and intervention*

To elaborate a developmental approach into an intervention theory, evaluative criteria are required. A development within or of moral climates (with a stage character) does not imply that every next stage is better. One of the utility criteria to judge moral climate theories by is whether they pay attention to moral climate evaluation, that is, criteria to decide upon whether a particular moral climate (type) is more or less appropriate, or desirable, or preferable to another climate (type), or simply, good (and of course, according to whom).
In the chapters 3 and 4, both the theories behind the climate part and the moral part of moral climate are examined for their evaluative criteria. Since Kohlberg's theory of cognitive moral development plays an important role in moral climate theory, it seems reasonable to expect that evaluative criteria from his theory can be applied to moral climate theory. However, as we will see, there is another type of criteria equally important, from a pragmatic contingency perspective as already was indicated in chapter 1.
However, with this examination of criteria for moral climate evaluation, not all criteria have been discussed yet. As a result of moral climate evaluation, that is, when a certain moral climate (type) is judged better than another moral climate (type), appropriate intervention may be required, for instance to prevent organizations to be ineffective or lose their legitimacy. From a moral developmental perspective, this means that any climate N+1 is better than its predecessors are. One might hold that there even is the moral duty to foster development. From a pragmatic contingency perspective, intervention toward a better fit with other contingent organizational variables will be required. In other words, according to a developmental moral criterion, development should be guided towards the N+1 stage, whereas according to the second criterion a moral climate is judged to be appropriate, when it fits the tasks the organization has charged itself with and should be modified to fit (an issue to be addressed in chapter 4 in more detail). In both cases, when a particular type of moral climate is evaluated as not being appropriate, matters of intervention are at stake. Of course, moral climate will change without deliberate intervention. Considering the change aspects means looking at the way the start, continuity, grow, development, decline, or more in general, the 'natural' change of moral climates are conceptualized and explained in moral climate theories (in terms of their dynamics).

With regard to intentional intervention, relevant questions are as to what type or interventions are proposed to be carried out (such as installing and observing an ethical code or taking care of

ethical training programs), on what grounds these interventions are evaluated and justified, that is, from a moral developmental perspective of from a pragmatic contingency perspective, and how tensions are resolved between these two perspectives. Intervention programs can be directed at improvement of moral climate, either it as change in the direction of the next developmental stage, or in trying to reach more accordance with the organizational configuration as this is constructed around its main tasks and assignments. Intervention programs however need not to be associated with malfunctioning only. In line with the utility criteria discussed above, they can also be pointed at strengthening or maintaining a present state of moral climate, preventing it to slide down to an undesirable situation. From both perspectives, intervention programs can be examined on their focus and their scope: are they either aiming at only one aspect of the organizational configuration (structure, job design, employee morality)? Alternatively, are they implemented in relationship with change in other organizational aspects to guarantee good and more lasting results and to prevent inconsistency with overall strategic management and maladaptive relations with the organizational environment? In any case, methods of intervention should either fit the desired moral climate and strengthen it, or advance it developmentally in an N+1 manner. From a developmental perspective, methods of intervention should be climate-sensitive and climate-specific, that is, relate to either the actual or the desired developmental stage. Now that we have examined both truth criteria and utility criteria to judge moral climate theories by, a heuristic model can be constructed to describe and evaluate moral climate theory and research.

2.4.5 An overall heuristic model for moral climate research

For moral climate to be more than a construct offering only thin descriptions about dominant styles of moral argumentation within an organization (or its formal or informal components), a model is required to include relevant variables and mechanisms for thicker descriptions and causal and interpretative explanations. The real art is constructing a tentative model for moral climate research that is both comprehensive and parsimonious, and practical usable as well. To conduct fruitful moral climate research, an acceptable reduction to a manageable explorative and heuristic structural model of the phenomenon moral climate is both unavoidable and necessary from the perspective of retroduction (see chapter 1, note 11)[39].

This tentative and comprehensive, rhizome-like model could include:

- variables causing moral climate (for instance, structure of the organization, governmental regulations, or national culture),
- variables that are caused by moral climate (for instance, organizational effectiveness, unethical behavior, job satisfaction, role conflict, work stress, job performance, commitment, corporate citizen behavior, or turnover intentions),
- variables that moderate and/or mediate moral climate (for instance, leadership).

The explorative and heuristic model for moral climate research I have in mind should:

1. treat moral climate as a dependent variable and include those variables that cause moral climate
2. treat moral climate as an independent variable and includes the wide range of variables that are caused by moral climate
3. treat moral climate as a mediating variable while making clear that it relates to other which

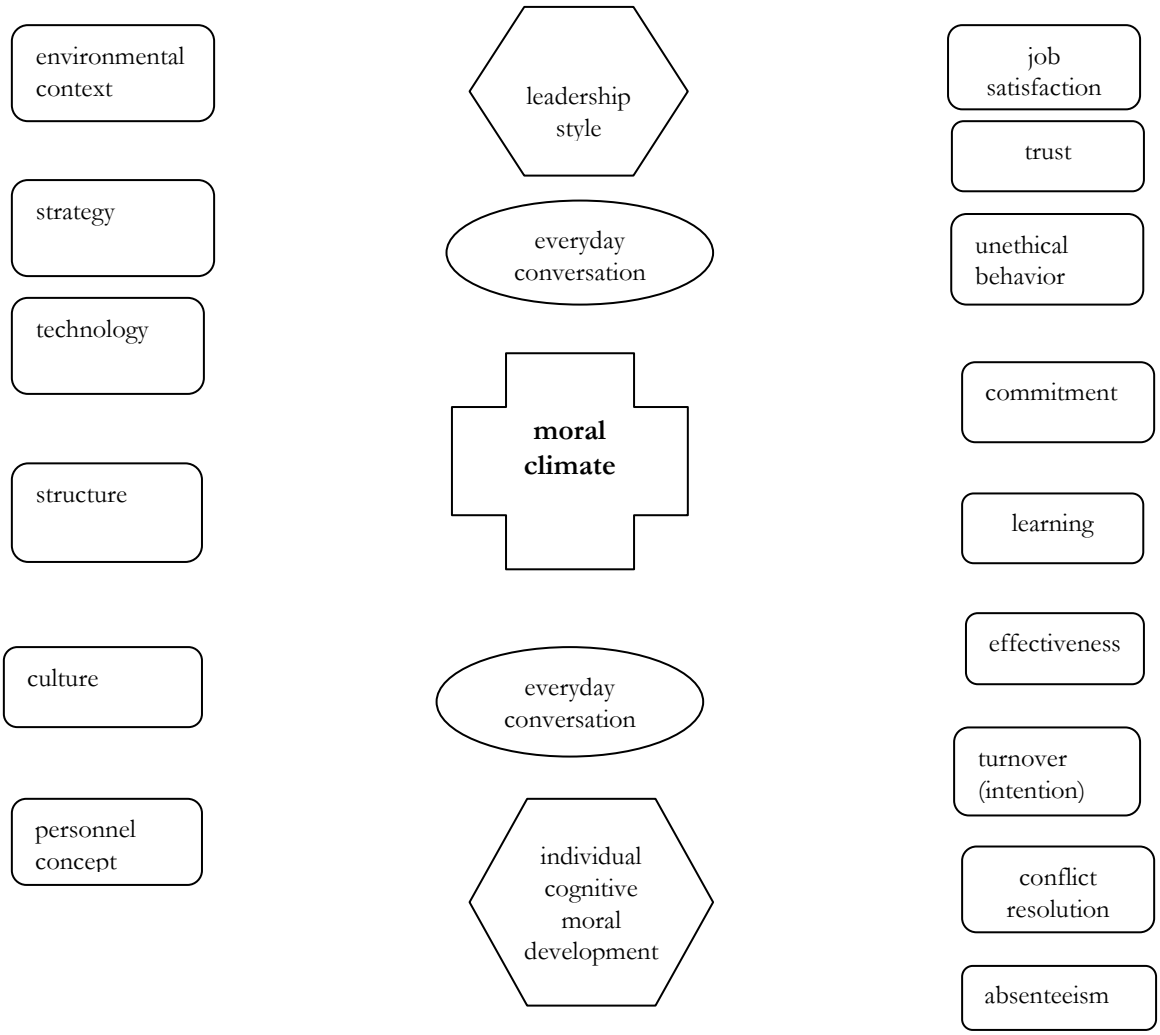
variables (moderating) and how (mediating) it relates to those variables;
4. include those variables that have a moderating or mediating effect on moral climate;
5. specify whether a variable is sufficient, necessary, or both
6. include dynamics and feedback mechanisms (drivers/motors)
7. be connective and transformational
8. indicate whether or not moral climate is considered from a developmental point of view, and if so, which stages are distinguished in terms of which typology, and if not, which typology has, been favored
9. be either developmentally or pragmatically contingency oriented with clear evaluative criteria and suggestions for dealing with possible tensions between these two sets of evaluative criteria
10. give cues for intervention that are at best either fit or advance the desired moral climate (type).

Being necessarily reductive, actual moral climate research can, will, and should focus on one or more of these variables and their relations. That is, from an overall heuristic model, those elements can be chosen according to the specific goals of the researchers, the aims of the research, and the problems the research should help to resolve. Elements can also be included as a result of nomadic wandering through conceptual fields.

In the reviews summarized in chapter 5, this model is used as a heuristic device to indicate which elements researchers emphasize, and, accordingly, which elements are left out of consideration deliberately or are neglected without further explanation.

Two preliminary remarks need to be made regarding this model. First, because of its general heuristic character, this model contains no connecting arrows indicating causal or reciprocal relationships, equifinalities, (feedback) mechanisms between variables, or trade-off mechanisms. However, it can be understood from an overall perspective that the variables on the left side of the model may function as independent variables, the variables on the right side as dependent variables, moral climate as a mediator between these variables and leadership behavior and individual moral development as moderators. Second, the variables concerning organizational parameters are neither exhaustive nor specified concerning their contents:

- The box "environmental context" may include national culture, type of competition, demographic developments, external regulation (by government or industry self-regulation), as well as characterizations of the environment in terms of simple and complex, or in terms of stable, dynamic, or turbulent (and its impact on organizational certainty).
- The box "strategy" may consist of both strategies for competition (cost leadership, innovation, and quality) and collaboration
- The box "technology" may involve typifications of both production and service processes (mass production, custom-made-goods, and protocollized professional action).
- The box "structure" may involve the organizational configurations identified by Mintzberg (mechanisms of coordination as well as design parameters).
- The box "culture" may be explained in terms of extant culture theories
- The box "personnel concept" can be made concrete by looking at the assumptions regarding personnel, as can be exemplified in terms of, for instance, the Harvard model as opposed to the Michigan model, or in terms of "strategic fit" versus "value-laden HRM".



These variables foster the development of a great number of hypotheses concerning causal relationships, as the concrete actual reflection of the moral climate rhizome. However, since this model does not specify the direction of causality, several options remain open to fill in. Starting from the boxes on the left side, moral climate can be considered as the dependent variable. Taking moral climate as the point of departure, the boxes on the right side are the dependent variables. Of course, these boxes are not exhaustive, and can be completed by adding other organizational outcome variables. Moral climate can also be considered as a moderating or mediating variable between any of the other variables.

The research section of the present study (chapter 5) shows that the greater part of contributions does treat moral climate as an independent variable, for no apparent reasons from the outset. However, three possible reasons may be anticipated:

(1) The functionalist aim of many research contributions (enhancing organizational effectiveness by driving back unethical behavior and/or encouraging ethical behavior).

(2) The availability of quantitative research instruments measuring job satisfaction, unethical and ethical behavior, turnover (intentions), leadership behavior, work stress, and commitment.

(3) The presence of a tested and approved typology and its accompanying questionnaire (the typology of Victor and Cullen and the Ethical Climate Questionnaire).

In a considerably smaller part of the contributions to moral climate theory, moral climate is considered as a dependent variable, more in particular dependent on national culture. Only in few

contributions, moral climate is considered from the perspective of moderating and/or mediating variables. In hardly any research, the variables are considered from an interactional or feedback perspective, probably due to measurement problems.

2.5 Implications and preview

An essential element in moral climate theory is the *definition* of moral climate and its correlates. What phenomenon in the world are we talking about and what are its characteristics? Here we have a tricky problem to deal with, asking for more than a conceptual analysis. Moral climate can be conceived of as a property of an organization, but also as an aggregate of individual perceptions. Is moral climate an attribute of an organization (or one of its parts), or is it a perceptual phenomenon? Furthermore, there are no clear definitions of 'moral'. Rather, there is a broad spectrum of positions in the moral domain, consisting of strategies for justifying good behavior and denouncing bad behavior. As we will see, Kohlberg's theory of moral development arranges these strategies in a developmental order that can be applied to organizational morality as well, though preferably in an adapted way. The spectrum of possible meanings of 'moral' and 'climate' justifies a closer look at the exact meaning of terms in use. At the surface level, there seems to be a linguistic problem. One term used by different authors can indeed have different meanings, while different terms can turn out to have the same meaning, that is, refer to the same phenomenon in reality. In its most dramatic, Babylonian form, under the flag of 'moral climate' (and correlates) very different aspects or conceptualizations of aspects of organizational reality can be hidden, with their own foundational assumptions. To begin with, the term 'moral climate' consists of two parts: 'moral' and 'climate'. Each part can be examined in its own terms: How is '*climate'* conceptualized and what is meant by '*moral'* (that is what notion of morality is involved?). Both issues will be discussed to some extent, starting with 'climate' in chapter 3, and followed with a systematic discussion of moral justification strategies in chapter 4. In chapter 3, it will be argued that - although mostly concentrating on values - apparently extant theories of organizational culture fail to conceptualize the moral aspects of organizations and organizing. Concerning the "climate part", different positions within the climate-debates will be examined, while the climate-culture controversy is addressed in its complexity to identify positions and arguments that may be helpful to get hold on the moral climate phenomenon. Chapter 4, on the "moral part", explores relevant strategies of moral justification that may lay the foundation for a sound and useful typology of moral climates. Furthermore, since directly or indirectly, most contributions to moral climate theory are based on Kohlberg's theory of cognitive moral development, this theory is explained in much detail as a frame of reference, with regard to the possible meanings of 'moral' from a developmental perspective. In chapter 5, a large number of texts on moral climate theory will examined in terms of "demographics" and "genealogy" and reviewed in terms of the categories of the format of issues, propositions and research questions presented in chapter 1: conceptual, typological, empirical, evaluative, and interventional issues, and according to their tacit or explicitly formulated foundations. In chapter, 6, the present state of the art is formulated in terms of development of the area as well as an outline of an alternative moral climate theory, illustrated with an elaborated example, *The Crowned Everyman* case.

Chapter 3 Conceptual backgrounds (1): The 'climate' part in 'moral climate'

3.1 Introduction: of beetles and bugs

One of the assignments of a foundational inquiry of moral climate theory and research is examining its conceptual backgrounds in ways specified in chapters 1 and 2. For clarity and convenience, this examination of conceptual backgrounds is divided into two parts. In the present chapter, I will explore conceptual and methodological issues concerning the "climate part", whereas the next chapter examines the "moral part" of "moral climate".

An examination of the several meanings of moral and ethical culture or climate is necessary to avoid "beetle issues". It is an intricate situation we have to deal with, because different authors use different names ('culture' and 'climate'). This does not need to imply that they refer to different phenomena in reality. The reverse holds also. The use of the same word (for instance, 'climate') does not imply that its users refer to the same phenomenon in reality. In addition, measures assessing different constructs from the one theoretical perspective may assess the same construct from the perspective of another theory (Hunter & Schmidt, 2004, 470). The question is whether we - when speaking about moral climate/moral culture - have to deal with one concept or with many, each with its own meanings and connotations, and theoretical embeddings and foundations, and empirical elaborations. Here, I freely use Wittgenstein's beetle example, though Wittgenstein probably had another line of thought in mind when using this example.

In §293 of his *"Philosophische Untersuchungen"*, Wittgenstein (1960, 403) used the beetle analogy in trying to illuminate some of the problems involved in thinking of the mind as something over and above behavior. In this thought experiment, everyone has a small box with a beetle inside of it. People are not allowed to look in anyone else's box; they are only allowed to look into their own box. Others' boxes even could be empty. Over time, people talk about what is in their boxes and the word "beetle" comes to stand for what is in everyone's box. Here, I do not use this analogy to point out that the beetle is very much like an individual's mind, of which no one can know exactly what it is like to be another person or experience things from another's perspective (look in someone else's box). I use the analogy with regard to the many moral climate and moral culture definitions, in which "moral climate" is the "beetle". However, I don't go along with Wittgenstein who argued that it does not really matter what is in the box, or whether everyone has a beetle, since there is no way of checking or comparing. I will not go as far defending the position that the word "beetle" – if it is to have any sense or meaning – simply means, "what is in the box". From this point of view, moral climate is simply "what is in the box" – or rather "what is in your head". To describe the complexity more precisely, the analogy even needs some extension. Some of the boxes might contain bugs instead of beetles. Some beetles in fact may appear to bugs, whereas what is thought to be a bug, in reality may turn out to be a beetle. Some of the people involved know the difference. Others involved do not know or do not acknowledge the difference. Still other people may conclude that the beetle is a subspecies of the bug, while others insist on classifying the bug as a subspecies of the beetle. Finally, the alleged

wiser might conclude that bugs and beetles are Tweedledum and Tweedledee (as a distinction without a difference), as long it does not hamper the communication about bugs and beetles. From the perspective of foundational inquiry (and, perhaps, any inquiry), boxes need to be opened to look what is inside of it, in order to determine whether it is a beetle or a bug, and specify the characteristics of beetles and bugs, to conclude that may several subspecies of the beetle or the bug inside the boxes. In the end, we may decide upon the question whether they are related, and if so, how they are related and what this means for moral climate theory. Put plainly, the question that needs to be addressed in this chapter is how moral climate theories relate to concepts of organizational climate and organizational culture.

Overview of chapter 3

A preliminary question concerns the issue why we do need a concept of moral climate at all, since there are plenty of theories on organizational culture having (moral) values as (one of) their core element.

To address this question, in section 3.2, I defend the position that organizational culture theory is an inadequate candidate for capturing the moral elements of organizing business and the provision of services because of the neglect of ethics theory. Furthermore, I demonstrate the complicated if not problematic relationship between ethics and culture. Finally, I conclude that theories of organizational culture mostly consist of superficial models and typologies that largely ignore the wealth of culture theories from social and cultural anthropology they could have based on. Fortunately, the seminal contribution of Allaire and Firsirotu (1984) offers a very useful overview of culture theories in their application to organizational contexts. The implications for moral climate theory of the distinctions introduced by Allaire and Firsirotu are examined. Although organizational culture theory as such cannot do the work of moral climate theory, organizational culture theory can be of great value to moral climate theory in showing the way in conceptual and methodological mazes.

In the next section (3.3), I examine concepts of organizational climate, in terms of positions and debates concerning these concepts. The discussion focuses on the question whether climate is either an organizational property existing independent of people or some aggregation of individual or collective perceptions. The implications of these debates for moral climate theory are considered and summarized.

In the meantime, the "beetle issue" has not been resolved yet. Even worse, the plot has thickened when culture and climate concepts have been explored to examine their relevance to moral climate theory. Therefore, in section 3.4, I discuss the climate-culture controversy (of which the major part is included in the CD-ROM that accompanies the printed matter). As there exists by now an extensive literature on organizational climate and culture, the question about the relationship between moral climate one the one hand, and climate (climate in an overall sense, but also in the aspect-sense like climate for safety or climate for service) and culture on the other hand, is an important one, yet not answered satisfactorily. In this section, I will discuss the genealogy constructed by Schein (1990), Reichers and Schneider (1990), as well as views from other authors (Ashforth, Rousseau, Ekvall, Rentsch, Moran and Volkwein, Denison, Van Muijen) from (partially) different perspectives. The views of these authors are represented and considered

in some detail, and show cumulative insights and increasing conceptual and methodological clarity, though not in a definite sense. Since one of the conclusions of the comparison is that culture and climate lie in the same domain while having much in common, some climate-culture issues can be discussed in one move, including the issue of climate/culture strength, the issue of person-environment (captured neatly by structuration theory), as well as the issues of climate/culture research, evaluation and intervention.
In section 3.5, this chapter on the conceptual backgrounds of the "climate" part in "moral climate" closes with a consideration of implications of previous discussions for moral climate theory.

3.2 The inadequacy of culture theory for moral climate theory

A preliminary question concerns the rationale of moral climate theory, its right to exist. Since there are many theories of organizational culture that cherish values as their core element, what then should moral climate add to it in conceptualizing organizational ethics? Why exactly we do need some concept of moral climate in the presence of elaborated theories of organizational culture in which values usually are the core elements. As will be shown below, these theories of organizational culture emphasize (both moral and non-moral) values and other (moral and non-moral) normative elements. However, they fail to capture the moral elements of organizing and organizations appropriately, since reference to ethical theories and moral reasoning is lacking for the most, probably because the drafters of these theories did not intend to conceptualize an explicit contribution to business ethics theory (perhaps because they are no ethicists). Those contributions that take "moral culture" as their explicit point of departure are included in the reviews reported of in chapter 5 of the present study.

In order to answer the rationale question, I will first demonstrate that extant theories of organizational culture are inadequate candidates for capturing the moral features of organizations (3.2.1). Second, the troublesome relation between ethics and organizational culture is examined (3.2.2).

3.2.1 Morality in extant theories of organizational culture

In this subsection, current theories and typologies of organizational culture and instruments to measure them are discussed briefly with regard to their relevance to moral climate theory (De Cock, Bouwen, De Witte & De Visch, 1986; Deal & Kennedy, 1982; Harrison, Handy, 1985; Kets de Vries; Miller, 1984; Van Muijen; Van Muijen, Koopman & De Witte, 1996; Schein, 1992; Quinn & Cameron, 1999). Though the theories in these contributions refer to values, these values are mainly of the non-moral type. This does not mean that these theories are useless for moral climate theory. On the construct level, they may be informative for moral climate theory by illuminating what type of construct culture is (as distinct from but related to climate). Furthermore, looking at the contents of culture theories, they may contain elements that explain (type of) moral reasoning and decision-making. From this perspective, culture and its elements is one of the determinants of moral climate, along with environmental aspects, organization

strategy, and the several structural features of organizations known so well from organizational theory.

Since the early Eighties, organizational culture is considered a very important issue in organizational theory and management. In mergers, takeovers, reorganization processes (like business process reengineering), organization development and implementation of new HRM concepts, cultural aspects are easily overlooked at the expense of suboptimal organizational effectiveness.
Ever since, a mer à boire of organizational culture literature has reached us and organizational culture has almost become a discipline of its own, though not unproblematic. Sackmann (1992, 140) identifies two major interrelated problems concerning research on culture. Little empirical knowledge is available about the concept of culture in the context of organizations to guide research efforts (1), whereas the existing conceptual diversity makes it difficult to operationalize culture (2). Definitions of culture vary in their use of a central concept, from ideologies, sets of beliefs, collective meanings and understanding, shared core values, shared basic assumptions, collective programming, to "the way we do things around here". Despite a focus on values as the core notion, the greater part of this literature is not meant to a contribution to business ethics. As a result, the ethics part of culture theory remains rather underdeveloped, as the following definitions of culture in general and organizational culture show (taken gratefully from the overview made by Lemmergaard (2004, 134-138):

- Tylor (1901, 1) (1871; 1924) defines culture as the complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by men as a member of society.
- Kroeber and Kluckhohn (1952, 181) posit that culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artifacts. The essential core of culture consists. One the one hand, culture systems may be considered as products of action, and on the other hand, as conditioning elements of future action.
- To Goodenough (1963, 258), culture consists of standards for deciding what is, standards for deciding what can be, standards for deciding how one feels about it, standards for deciding what to do about it, and standards for deciding how to go about doing it.
- Pettigrew (1979, 574) defines culture as the system of publicly and collectively accepted meaning operating for a given group at a given time.
- According to Ouchi (1981, 42-43), organizational culture consists of a set of symbols, ceremonies, and myths that communicate the underlying values and beliefs of that organization to its employees.
- Deal and Kennedy (1982, 4) define culture as the integrated pattern of human behavior that includes thought, speech, action, and artifacts and depends on man's capacity for learning and transmitting knowledge to succeeding generations. Elements of culture are the business environment, values, heroes, rites and rituals, and the cultural network. Their culture typology will be briefly discussed below.
- According to Trice and Beyer (1984, 654), culture has two basic components: (1) its substance, or the networks of meanings contained in its ideologies, norms, and values, and (2) its forms, or the practices whereby these meanings are expressed, affirmed, and communicated to members.

- Hofstede (1984, 5) discusses culture as the collective programming of the mind, which distinguishes the members of one group or category of people from another. Value differences relate to power distance, uncertainty avoidance, individualism-collectivism, masculinity-femininity, and long-term – short-term orientation.
- Kilmann, Saxton and Serpa (1986, 89) define culture as the shared philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes, and norms that knit a company together.
- Wuthnow (1989) discusses moral order from the general perspective of cultural analysis, but does not refer to theories of organization /organizational culture, nor uses the gains of ethics theory. He does not give a clear definition, but instead, explores difficulties with the concept of culture while suggesting four approaches, subjective, structural, dramaturgic, and institutional. His discussion of the construction of meaning and the structure of moral codes would deserve closer attention.
- Schein (1990, 111; 1991, 9) defines culture as the pattern of basic assumptions – invented, discovered, or developed by a given group, as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valid and, therefore, to be taught to newcomers as the correct way to perceive, think, and feel in relation to those problems. Schein distinguishes three interacting levels of culture: artifacts and creations (technology, art, and visible and audible behavior patterns), values (testable in the physical environment, testable only by social consensus), and basic assumptions (concerning the relationship to environment, nature of reality, time and space, nature of human nature, nature of human activity, nature of human relationships).
- According to Ott (1989, 50), organizational culture is the culture that exist in an organization, something akin to a societal culture. It is made up of such things as values, beliefs, assumptions, perceptions, behavioral norms, artifacts, and patterns of behavior. It is a socially constructed, unseen, and unobservable force behind organizational activities. It is a social energy moving members of the organization to action. It is a unifying theme that provides meaning, direction, and mobilization for organization members. It functions as an organizational control mechanism, informally approving or prohibiting behaviors. In fact, Ott's definition is modification of Schein's definition, in which his level 1 is subdivided into artifacts (technology and arts) and patterns of behavior (familiar management tasks, visible and audible behavior patterns, and norms).
- Handy (1989,176) defines organizational as the sets of values and norms and beliefs that are affected by the events of the past and by the climate of the present, by the technology of the type of work, by their aims and he kind of people that work in them. Handy also designed a culture typology that (discussed below briefly).
- According to Denison (1990, 2), culture is the underlying values, beliefs and principles that serve as a foundation for an organization's management system as well as the set of management practices and behaviors that both exemplify and reinforce those basic principles. Denison explicitly considers organizational culture from the perspective of organizational effectiveness.
- Trompenaars (1993, 24) defines culture as the explicit products (observable reality), the norms and values (the mutual sense of right and wrong and the ideals shared by the group), and the assumptions about existence. Trompenaars identified seven dimensions of culture, including universalism versus particularism, collectivism versus individualism, affective versus neutral cultures, specific versus diffuse relationships, achieving versus ascribing status, time as sequence versus time as synchronization, inner directed versus outer directed.

- Cameron and Quinn (1999) define organizational culture in terms similar to those of Schein and includes what is valued, the dominant leadership style, the language and symbols, the procedures and routines, and the definitions of success that characterizes an organization. Organizational culture represents the values, underlying assumptions, expectations, collective memories, and definitions present in an organization. Core issue is the linking of organizational culture with performance. Based on the competing values model, Cameron and Quinn constructed a culture typology (discussed below briefly)

This brief selection (for the greater part) borrowed from Lemmergaard (2004, 134-138) can easily be expanded with many more definitions, that show no more than that organizational culture is an overused, overinclusive, yet underdefined term, that has been uncritically adapted from cultural anthropology (Furnham & Gunter, 1993, 234). Instead, I will briefly discuss two theoretical elaborations and a small number of typologies of organizational culture from a moral perspective, while in a subsequent subsection the connections to anthropology are restored. .
The definitions and typologies included share two features that may be related on a deeper level:
(1) most definitions make mention of normative beliefs, including values, but seldom in specified in ethical terms
(2) all definitions are in fact functional definitions specifying the role of culture in either society (general culture) and in organizations (organizational culture).

The focus on functionality implies that organizational culture is considered to have a functional role regarding organizational performance. As the publications of Ouchi (1981), Tichy (1982), Deal and Kennedy (1982) and Peters and Waterman (1982) tried to make us believe, a well-developed and business-specific "strong" culture into which management and staff have been thoroughly socialized has been though to underpin intense commitment to the company, higher morale, more efficient performance, and generally higher productivity. In the early Eighties, the success of Japanese corporations was held up as a testimony to the impact of strongly developed and highly appropriate corporate cultures, which have been carefully nurtured and to which continued reinforcement is tended (Pascale & Athos, 1981). Shared corporate core values (though not necessary ethical values) among management and workforce were identified as important critical features underlying a highly motivated approach to achieving well-defined and clearly understood organizational goals (Furnham & Gunter, 1993, 233)[40].
Two issues meet the eye considering functionality: the meaning of organizational performance and the criteria it is judged by, and the limits of focusing on functionality of culture (and climate as well) from the perspective of business ethics. Some authors simply take profit as the criterion for economic performance (Graafland, 2002), sometimes specified in levels, and provided with a time perspective. Barney (1986, 657) adopts a microeconomics perspective and differentiates between three levels or categories of financial performance: normal performance, superior performance, and below normal performance. Normal economic performance is that rate of return on a firm's investments just large enough to keep a firm's assets engaged in their current activities. A normal return is a return just large enough to ensure a firm's survival, or formulated technically, a normal return is the expected rate of return of a firm in perfectly competitive markets. Superior financial performance is a rate of return greater than a normal return and indicates that a firm is prospering. Below normal financial performance is a rate of return

insufficient to keep a firm's assets engaged in their current activities. Firms that obtain this level of return for a relatively long period of time typically do not survive. Barney (1986, 657-658) also distinguishes between temporary and sustained (superior) financial performance, yet without giving a specification of "temporary" and "sustained". Stabilization of growth in the long run or permanent innovation are quite different criteria than maximizing profits in the short term. Siehl and Martin (1990, 250) differentiate between four ratios of financial performance, including return on assets, return on equity, return on sales, and earnings per share, each of these ratios tapping a different aspect of financial performance. A more differentiated stance is possible while using stakeholder theory while paving the way for a more sophisticated idea of effective organizational performance. As Siehl and Martin (1990, 270) put it, is it possible that culture has an direct impact only on non-financial aspects of performance, such as morale, commitment, mental and physical health, and job satisfaction. In this sense, culture may affect financial performance indirectly. In section 3.4.4, this issue is resumed and when criteria evaluating culture are climate are discussed in more detail.

The second issue concerns the focus on functionality as such. This focus on functionality may be connected with the lack of ethicality and obscuring political aspects of organizing in the use and description of values. Values are considered from an apparently non-moral and non-political functional perspective and a utilitarian view of organizations, while lacking almost any referral to human values (such as dignity, respect, or justice) and in which people are viewed and treated as an end in themselves having the right to moral autonomy (in a Kantian sense) (see also Maclagan, 2007, who discusses the ethics of managing ethics from the perspective of moral autonomy). That is, although shared values are included as a core element in many if not all culture theories, models, and typologies, these values are considered from a non-moral perspective (and hence could just as well be considered as climate aspects). Most of the time, the term value is used in very general meaning, for instance, when defined as normative beliefs guiding goals, policies, strategies, and behavior, but not explained in ethical terms (for instance, Wiener, 1988, who identified forms of value systems but ignored their moral aspects). In this sense, values resemble climate dimensions.
According to Siehl and Martin (1990, 271-273), the focus on financial performance may hamper the development of our understanding of organizational culture and of how culture relates to other aspects of organizational theory: A functionalist approach of financial approach reinforces applied, managerial thinking rather than theory development. Culture should be more than just another variable added to the domain of managerial theory. Instead of being a variable, culture can be considered as a metaphor for understanding organizational life in a new and sometimes unexpected way, using insights from semiotics, ideology theory, symbolism, psychoanalysis, and again, anthropology. A broader conceptualization of culture theory can bring us far beyond the traditional variables of organizational theory, such as structure, firm size, technology, job satisfaction, motivation, and leadership. By drawing to the multiple interpretations that people generate to understand, legitimate, or question their activities at work - "organizations as a collection of stories" and "organizations as a contest about ideas and rationalities between individuals and groups" (Pettigrew, 1990, 424) - culture studies could offer a deeper understanding of what goes on inside organizations, more in particular concerning the

consistencies, inconsistencies, and ambiguities that constitute the texture of organizational life. Therefore, seeking a culture-performance link may not only deflect energy from potentially innovative avenues of inquiry, it may even have pernicious social effects, when organizational research serves only managerial rather than individual or societal interests. The essential question is then, in whose best interest culture research is being conducted. At this point, the notion of organizational legitimacy becomes essential (Pettigrew (1990, 424), to the degree that loosing legitimacy may eventually lead to loosing the license to operate (a thought to be resumed in chapter 4). This question refers to the additional criteria for theory construction discussed in chapter 2: theory should be explicitly critical, recognize that humans are active agents, account for the life experiences of the client, should promote social justice, and be catalytic (Anderson & Herr, 1999, 16; Gioia & Pitré, 1990, 588; Lather, 1986, 67; Witkin & Gottschalk, 1988, 218-221). For instance, when culture researchers focus on the ideologies espoused by top management, they may be studying efforts to indoctrinate employees into a value system that exploits their potential for enthusiasm, commitment, and productivity while facilitating the direction of resulting profits to the disproportionate benefit of higher-level employees and stockholders. As Siehl and Martin (1990, 273-274) put it, the arguments of those who admiringly describe culture as a managerial control mechanism can be restated as attempts to maintain ideological hegemony and exploit the productivity of those who do not control or own the means of production and lack definition power (for instance, women and minorities).

In short, from a broader perspective, the focus on organizational culture has important aspects. Theories of organizational culture offer three types of explanations (Furnham & Gunter, 1993, 234) while offering (a) a shift in the perspective of business from rational strategic to cultural issues, (b) shifts in organizational and communication theory to more subjective, social constructionist perspectives, and (c) changes in the human sciences moving away from positivism to interpretive theory.

However, when culture theory puts values at its core, these values are definitely not brought in from the perspective of business ethics and concepts of the ethical organization, as a (perhaps too) brief review below of current culture theories (A-B-C) and typologies (1-6) in headlines shows.

A. An early culture theory was introduced by Miller in his *book American Spirit: Visions of a New Corporate Culture* (1984). Inspired by the Baha'i religion, Miller wrote this book that was used as the text for Honda in a course on their values and culture. Miller promotes eight primary values in a new managerial age, including purpose driven, excellence, consensus decision-making, qualitative decision-making, intimacy, and integrity. Only the last value mentioned has explicit moral content explained in terms of honesty and trust, though not discussed from an ethics perspective.

B. The culture theory of Schein is one of the current and widely recognized theories of organizational culture. As was already indicated, his culture theory describes artifacts, values, and assumptions. Schein imagines these elements as the layers of an onion, with artifacts as the outside layer, and assumptions as the core.

In a more complete fashion, according to Schein (1990, 111), culture can be described in terms

of:

(a) a pattern of basic assumptions
(b) invented, discovered, or developed by a given group,
(c) as it learns to cope with its problems of external adaptation and internal integration
(d) that has worked well enough to be considered valid, and therefore
(e) is to be taught to new members as the
(f) correct way to perceive, think, and feel in relation to those problems
(g) expressed in artifacts: s*ymbols* (natural and manufactured objects, physical settings, clothing, performers and functionaries), *organizational languages* (jargon, slang, signals, signs, songs, humor, jokes, gossip, rumor, metaphors, proverbs, slogans), *narratives* (stories, legends, sages, anecdotes), and *practices* (rituals, rites, ceremonies, patterns of behavior, customs).

Schein adopts a definite functional perspective while emphasizing external adaptation and internal integration tasks ask for developing consensus within (groups in) organizations Schein, 1985, 52, 56; 1990, 113).

External adaptation asks for consensus on

- the core mission, functions, and primary tasks of the organization vis-à-vis its environments
- the specific goals to be pursued by the organization
- the basic means to be used in accomplishing the goals
- the criteria to be used for measuring results
- the remedial or repair strategies when goals are not achieved.

Internal integration asks for consensus on:

- the common language and conceptual system to be used (basis concepts of time and space)
- the group boundaries and criteria for inclusion
- the criteria for allocation of status, power, and authority
- the criteria for intimacy, friendship, and love in different and family settings
- the criteria for the allocation of rewards and punishments (when is a way of distribution or treatment, sanctioning and rewarding just?)
- concepts for managing and sense-making of the unmanageable - ideology and religion.

The functional purpose of culture means that it helps the organization to be effective (external adaptation) and helps organizational members by providing them with a cognitive map or guide to appropriate behavior. The pattern of basic assumptions concerns the following underlying dimensions of culture and corresponding questions, some of which have explicit moral content, more in particular the dimensions 1, 2, 5, 6 and 6 (Schein, 1985, 86; 1990, 114):

	dimension	questions to be answered
1	The organization's relationship to its environment	Does the organization perceive itself to be dominant, submissive, harmonizing, searching out a niche?
2	The nature of human activity	Is the "correct" way for humans to behave dominant/pro-active, harmonizing, or passive/fatalistic?
3	The nature of reality and truth	How do we define what is true and what is not true; and how is truth ultimately determined both in the physical and social world? By pragmatic test, reliance on wisdom, or social consensus?
4	The nature of time	What is our basic orientation in terms of past, present, and future, and what kinds of time units are most relevant for the conduct of daily affairs?

5	The nature of human nature	Are humans good, neutral, or evil, and is human nature perfectible or fixed?
6	The nature of human relationships	What is the "correct" way for people to relate to each other, to distribute power and affection? If life competitive or cooperative? Is the best way to organize society based on individualism or groupism? Is the best authority system autocratic/paternalistic or collegial/participative?
7	Homogeneity versus diversity	Is the group the best off if it is highly diverse off if it is highly homogeneous, and should individuals in a group be encouraged to innovate or conform?

Of course, these dimensions contain more or less tacit moral notions, as was indicated above. However, these remain unspecified to a large degree, and raise a number of ethical questions. To begin with, it remains unclear what consensus means as long as the processes through which consensus is arrived, are not discussed from a moral perspective. Consensus may be arrived at through indoctrination, hidden socialization processes, or simply are enforced. Consensus may in fact be compliance. Schein emphasizes values, but does not specify these as moral values. Missions and goals are not specified in moral terms, just as a moral qualification of correct ways of perceiving, thinking, and feeling is lacking. Choices concerning dimensions are not justified in terms of explicit moral justification strategies. In sum, none of the dimensions of Schein´s culture model reveals an explicit moral stance. After all, this is difficult, due its functionalist character emphasizing external adaptation and internal integration, making moral qualities dependent of external contingent conditions and circumstances. However, one of the merits of Schein´s model is focusing on relevant dimensions with respect to which (moral) choices need to be made.

C. A third organizational culture theory to be considered here briefly is constructed by Hofstede and associates (Hofstede, Neuijen, Ohayv & Sanders, 1990). According to these authors, the organizational/corporate culture construct is (1) holistic, (2) historically determined, (3) related to anthropological concepts, (4) socially constructed, (5) soft, and (6) difficult to change, and can b measured quantitatively (Hofstede et al, 1990, 286-287). They suggested the existence of discrete number of independent dimensions that correspond to issues covered in the organizational literature. They considered it unlikely to find aspects of organizations that nobody had discovered before. Hofstede's (1980) (then) four-dimensional model of the impact of national cultures in organizations - "power distance" (large versus small), "uncertainty avoidance" (strong versus weak), "individualism" versus "collectivism," and "masculinity" versus "femininity - inspired the authors to a closer look at organizational culture.[41]
Instead of investigating one corporation in many countries, they would study many different organizations in one country (in fact, two, The Netherlands and Denmark, considered to belong to the same Nordic-Dutch cluster). Referring to the work of Tylor (1871/1901/1924, 1), the authors found that not shared values represent the core of a corporate culture, but shared perceptions of daily practices (conventions, customs, habits, mores, traditions, or usages). The major outcome of their research project is a six-dimensional model of organizational cultures, defined as perceived common practices: symbols, heroes, and rituals that carry a specific meaning within the organizational unit. These six dimensions include (Hofstede et al, 1990, 303):
1. process-orientation versus results-orientation

2. employee-orientation versus job-orientation
3. parochial versus professional
4. open system versus closed system
5. loose control versus tight control
6. normative versus pragmatic.

These dimensions bear little ethical connation, perhaps with dimension six as an exception. This dimension is explained as: pragmatic units are market-driven, whereas normative units perceive their task toward the outside world as the implementation of inviolable rules. Privately owned units in turned out to be more pragmatic, public units (such as the police force) more normative, according to their primary tasks and assignments (Hofstede et al, 1990, 304, 310). Concerning the ethicality of the model itself, Hofstede et al (1990, 313-314) depart from a contingency perspective. Their multidimensional model does not support the notion that any position on one of the six dimensions is intrinsically "good" or "bad." Labeling positions on the dimension scales as more or less desirable is a matter of strategic choice, which will vary from one organization to another. For instance, the emphasis on customer orientation (becoming more pragmatic on dimension 6) is highly relevant for most organizations engaged in services and the manufacturing of custom-made, quality products, but may be unnecessary or even dysfunctional to the manufacturing side of organizations supplying standard products in a competitive price market or for units operating under government regulations. In short, evaluative issues are solved from a pragmatic contingency perspective, leaving little room for genuine moral considerations.
According to Ostroff, Kinicki, and Tamkins (2003, 570), these work practice measures assess employees' perceptions of general and specific work-environment characteristics, and are inherently tapping climate rather culture. They even suggest not using these measures as indicators of organizational culture.
Now that we have evaluated three theories or organizational culture and concluded that that they are poor candidates for capturing the moral features of organizing and organizations, we will now consider a small number of climate typologies from the same perspective.

1. Handy (1978), reporting the work of Harrison (1972), classifies organizations under four cultures:

power culture	is like a web with rays of power and influence spread out from a central authoritative figure or group, based on personal influence rather than on procedures or purely logical factors.
role culture	works by logic and rationality through which functions are delineated and empowered with their role, controlled by procedures, role descriptions and authority definitions, and rules for processing decisions and resolving conflicts whereas performance over and above role is not expected and possibly disruptive.
task culture	focuses on tasks, results and getting things done, with resources given to the right people at whatever level who are brought together and given decision-making power to get on with the task
person culture	has individuals as the central point, with structure existing only to serve the individuals and their ambitions within it.

This culture theory is superficial and has a narrow scope, since it focuses primarily on the way the work is organized. Most of all, it lacks explicit moral notions, though there may be tacit notions

of morality underneath. For instance, in a power culture, employees get little responsibility. This may obstruct the development of their sense of responsibility and hence cultivate low levels of moral competence. The reverse can be said of a person culture. In a role culture, there are conventions - rules, regulations, and procedures (including moral prescriptions) - that give people something to go on. In a task culture, the immediate interests of the organization have priority, perhaps at the expense of respect for employee and interests.

2. Deal and Kennedy (1982, 21-22, 107-108) put values at the core of their culture typology that is constructed according to two dimensions: the degree of risk associated with the company's activities, and the speed at which companies – and their employees – get feedback on whether decisions or strategies are successful.

tough-guy macho culture	is a world of individualists who regularly take high risks and quick feedback in whether their actions were right or wrong
work hard/play hard culture	focuses on fun and action that are the rule here, and employees take few risks, all with quick feedback
bet-your-company culture	is a culture with big-stakes decisions, where years pass before employees know whether decisions have paid off, that is, high risk, slow-feedback environment
process culture	is a world with little or no feedback where employees find it hard to measure what they do, while instead concentrating on how it is done

This culture typology focuses on the cultural consequences of strategy and environmental feedback. Although Deal and Kennedy put values at the core of their model, there is no explicit moral connotation of these values.

3. A special culture theory is constructed by Kets de Vries and Miller (1984; 1991), who used psychoanalytically oriented psychiatric diagnostic categories to identify dysfunctional organizational cultures. While reflecting upon their experiences they found parallels between individual pathologies (understood as the excessive use of neurotic styles) and organizational pathology (characterized in terms of a variety of problems and bad outcomes). The assumption is that though individuals may use elements of different neurotic styles, within groups a particular style will dominate and emerge under stressful circumstances. For instance, a stagnating bureaucracy can be labeled as a depressive organization, lacking clear goals and initiative, reacting slowly in external developments, and are pervaded by managerial apathy. In this features, the depressive personality can be recognized. Kets de Vries and Miller distinguished five constellations of dysfunctional types, in each of which a particular neurotic style with a characteristic fantasy is predominant.

paranoid culture	is dominated by the persecution theme, distrust and hostile feelings in both vertical and horizontal labor relations, close supervision, many rules and severe punishment, and at times openly aggression and sabotage, detrimental to both creativity and loyalty, eventually leading to loss of productivity and quality
depressive culture	is characterized by collective feelings of falling short, helplessness, hopelessness, and despair, low self-esteem and self-confidence, dependent personalities

dramatic culture	focuses on grandeur and impression making, hyperactivity and risk-taking, gaining prestige
compulsive culture	is characterized by fear for the unknown, the inclination to control everything, a craving for perfectionism and meticulousness, and a obsession for rules, regulations, procedures, and specifications, as well as indecisiveness and postponement behavior because of fear of failure
schizoid culture	is characterized by impassive detachment and withdrawal as a defense against the possibility of getting hurt

In the real world, Kets de Vries and Miller found hybrid forms (for instance, the paranoid-compulsive, the depressive-compulsive, and detached-depressive type) as well as transitions that relate to an organization's life cycle. This is not the occasion to discuss the details and the assumptions of this typology, though it can be said its analogical character may limits its value. More important is it to consider the moral aspects of this typology. With the possible exception of a paranoid culture, moral connotations are few, if present at all. Paranoid cultures are built on distrust in the moral integrity of all involved, which may match what I call a Stage 1 climate for punishment (as will be discussed in chapter 6). This typology can further be criticized for being incomplete. It focuses on neurotic styles, at the neglect of other types of pathology, such as psychopathy or sociopathy (though in later publications, Kets de Vries recognized psychopathic tendencies in organizations) (see also, Bennink, 2007, discussing 'carceral regimes').

4. Sethia and Von Glinow (1985; Von Glinow, 1985) consider culture from a rewards perspective, and hence from explicit or tacit notions of justice. More precisely, they examine the interdependent nature of the organization's culture and its reward system, more in particular with regard to professionals. According to Von Glinow (1985, 194), the organization's culture involves the basic values, assumptions, and beliefs of its members. Therefore, culture can be seen as influential in the types of rewards that are available in the organization, the conditions according to which the rewards would be allocated to groups or individuals, the way in which the rewards and the criteria would be selected, and the manner in which the total reward system would be administered. Sethia and Von Glinow (1985) noted that culture and its reward systems must be in a state of mutual balance for the company to function smoothly. They also note, that particular types of organizational cultures appear to function with particular types of reward systems in such a manner that the combinations fall into four distinguishable patterns. These patterns are based on the organization's concern for the people in the organization, coupled with the organization's intensity of performance expectations of its incumbents. For the sake of simplicity, these two dimensions are anchored as high or low concern for people, and weak or strong expectations about their performance. These patterns represent four distinct types of organizational culture (Von Glinow, 1985, 195-196):

apathetic culture	represents a lack of concern about people, and indifference to their performance and functions on the basis of impersonal rules and regulations
caring culture	has high concern for people, is relatively undemanding in its performance expectations, and function smoothly due to the loyalty and compliance
exacting culture	shows little sensitivity to people, but is extremely demanding in its performing expectations

integrative culture	exhibits high concern for people combined with strong performance expectations such that motivation of people is augmented by their dedication

Each of these cultures is compatible with specific types of reward systems that reflect different corporate philosophies regarding concern for people and performance expectations (in fact, different personnel concepts). As such, their policies for attracting, evaluating, and retaining professional vary greatly (Von Glinow, 1985, 196-202). Though Von Glinow does not discuss the application of this model to other types of employees than professionals, I suggest that it can be valuable in any organization. However, though she refers to corporate philosophies, this thought is not elaborated into ethical considerations. Instead, Von Glinow offers a series of HRM instruments to can be use differentially in each type of culture pattern.

5. Cameron and Quinn (1999) have developed an organizational culture framework based upon the "Competing Values" model. This framework refers to whether an organization has a predominant internal or external focus and whether it strives for flexibility and individuality or stability and control. Their culture model consists of six organizational culture dimensions (dominant characteristics, organizational leadership, management, organizational glue, strategic emphases, and criteria for success) and four dominant culture types (i.e., clan, adhocracy, market, and hierarchy). To measure culture, Cameron and Quinn developed the "Organizational Culture Assessment Instrument (OCAI)" which is used to identify both the current and the preferred organizational culture profile based on the core values, assumptions, interpretations, and approaches that characterize organizations.

clan culture	concentrates on internal maintenance with flexibility, concern for people, and sensitivity for customers
hierarchy culture	focuses on internal maintenance with a need for stability and control.
adhocracy culture	concentrates on external positioning with a high degree of flexibility and individuality
market culture	focuses on external maintenance with a need for stability and control.

6. Of course, there is always more to it. Cooke and Lafferty (1983) identified no less than twelve cultural styles (that also could have been passed for climate typifications).

humanistic-helpful culture	characterizes organizations that are managed in a participative and person-centered way; members are expected to be supportive, constructive and open to influence in their dealings with one another
affiliative culture	characterizes organizations that place a high priority on constructive interpersonal relationships; members are expected to be friendly, cooperative, and sensitive to the satisfaction of their work group
approval culture	describes organizations in which conflicts are avoided and interpersonal relationships are pleasant, at least, superficially; members feel that they should agree with, gain the approval of, and be liked by others

conventional culture	is descriptive of organizations that are conservative, traditional, and bureaucratically controlled; members are expected to conform, follow the rules and make a good impression.
dependent culture	is descriptive of organizations that are hierarchically controlled and non-participative; members are expected to do what they're told and clear all decisions with superiors
avoidance culture	characterizes organizations that fail to reward success but nevertheless punish mistakes; members to shift responsibilities to others and avoid any possibility of being blamed for a problem
oppositional culture	describes organizations in which confrontation prevails and negativism is rewarded; members are expected to be critical, oppose the ideas of others, and make safe (but ineffectual) decisions
power culture	is descriptive of non-participative organizations structured on the basis of authority inherent in members' positions; members are expected to take charge, control subordinates, and yield to the demands of superiors
competitive culture	values winning and rewards members for outperforming one another; members work against (rather than with) their peers
perfectionist culture	values perfectionists, persistence and hard work; members are expected to appear competent, keep track of everything, and work long hours to attain narrowly-defined objectives
achievement culture	emphasizes doing things well and values members who set and accomplish their own challenging but realistic goals with enthusiasm
self-actualization culture	values creativity, quality over quantity, and both task accomplishment and individual growth; members are expected to enjoy their work, develop themselves, and take on new and interesting tasks

In a subsequent publication, Cooke and Szumal (2000) present their Organizational Culture Inventory (OCI), an instrument assessing twelve sets of normative beliefs. These norms are categorized in three types of organizational cultures, a considerable reduction of cultural complexity, as it seems.

constructive culture	endorses normative beliefs associated with achievement, self-actualizing, humanistic-encouraging, and affiliative
passive-defensive culture	reinforces values related to seeking approval, being conventional or dependent and avoiding accountability
aggressive-defensive culture	endorses beliefs characterized as oppositional, power-oriented, competitive, and perfectionist

As probably has become clear from this representation of culture definitions and typologies, though full of normative beliefs, none refers to values and moral characteristics of organizations from an ethics theory perspective. Schein's model outs values at its core, but does not specify values from an ethical perspective. The six-dimensional model of Hofstede et al adopts a pragmatic contingency perspective while ignoring moral perspectives. The typology of Harrison and Handy refers rather to structural properties (the modes of arranging work) and is a rather superficial culture theory, if at all. This can also be said of the culture theory of Deal and Kennedy that matches environment and strategy. The typology of Kets de Vries en Miller is rather speculative because of its analogical character, and offers little moral cues, but is perhaps

the only theory that has a broader focus than (financial) performance. The typology of Jansen and Von Glinow focuses on rewards, but fails to explicate its tacit moral foundation, as does the typology of Cameron and Quinn that is mainly based on non-moral values. The typology of cultural styles of Cooke and Lafferty lacks a clear principle of classification, while its styles may overlap. However, its reduced version may be too simple to cover everything that can be arranged under the heading organizational culture.
These objections do not render these typologies useless for moral climate theory. On the contrary, this typology may offer explanations as to why a certain moral climate type occurs, as will be discussed in chapter 6. In the meantime, the question is answered whether theories of organizational culture do appropriately capture the moral features of organizations: they fail to do so, because it was never their purpose. In the next subsection, I will defend the position that organizational culture is even not a good candidate, mainly because of its functionalist perspective. However, those contributions considering culture from an explicit moral perspective are included in the review of moral climate contributions.

3.2.2 Ethics and corporate culture

After having demonstrated that current theories and typologies of organizational are inadequate in capturing organizational morality, I will further explore the complicated relation between ethics and culture, by examining its functionality (mainly based on Lozano, 1998). From a functional perspective, Morgan (1986, 135) emphasizes two particular strengths of understanding organizations as cultures: (1) it focuses attention on the symbolic meaning, or mystique, of many of the most rational features of organizational life, and (2) it demonstrates that organizations are based on systems of shared meanings and frameworks of interpretation that create and recreate these meanings. A conceptual issue raised by Smirchich (1983) is whether organizations have a culture - culture considered as an organizational variable - or are a culture - culture considered as a metaphor for organization. Schein (1988) address the issue of the function of culture. As we have seen, he describes culture as a model of basic assumptions, core values, and artifacts. Culture is invented, discovered, or developed by a particular group determined to gradually learn how to confront its problems of external adaptation and internal integration. The elements of culture have been influential enough to be considered valid and consequently taught to new members as the correct way of perceiving, thinking about and experiencing these problems (with leadership as the key factor in understanding and influencing corporate dynamics).
Lozano (1998, 54) considers Schein's theory of culture as a fundamental reference and therefore, as a point of departure to link organization culture with ethical thought (in particular, its 'values' element)[42]. Lozano (1998, 55) suggests that an analysis of the links between corporate culture and ethics can take two directions. Corporate culture can be viewed as a fundamental ingredient in institutionalizing ethics in organizations (1). It can also be considered the backbone of corporate ethics, to such a point that occasionally the terms ethics and culture are confused (2). From this perspective, the idea can be derived that organizational culture had great potential as a means of improving ethics in the organization (Sinclair, 1993, 63). According to Treviño (1990), the possibility of approaching organizational cultures from an ethical standpoint arose as soon as the study of organizational cultures had verified that many of the thoughts and actions of individuals in organizations are culturally influenced, that individuals can act and operate according to

different standards and criteria depending on the context, and that socialization processes in organizations are usually aimed at shaping individuals to fit into a normative structure. Sinclair (1993, 65-66) discusses two approaches that have been proposed with the aim of molding organizational culture towards ethical end. The first and most popular is the approach of creating a unitary and cohesive corporate culture around ethical values and imposing it upon those involved, whereas the second approach advocates and fosters the co-existence and diversity within the organization of national and racial cultures as well as professional and occupational sub-cultures. Each approach defines organizational culture and the nature or process of good ethics differently (and stresses either socialization and even indoctrination or diversity) and each argues a different role for management in the shaping of ethical values. However, both approaches do not specify the nature of ethics and the way it works in organizations. In the meantime, Lozano (1998, 57) addresses an essential tension in the relationship between ethics and business culture when one accepts that competitive advantage is gained through a dual focus: satisfying customers and developing people. All business can be assumed to strive for customer satisfaction, but it is not clear whether developing people refers to developing employees' personal qualities, their professional and organizational ties and commitments, their learning skills or their moral fiber. Thus, according to Lozano, attempts must be made to clarify just what companies mean when they include human development as part of their organizational culture. But first and foremost, Lozano suggests that we need to discover whether or not human development includes recognition of individual autonomy or is limited simply to attempts to motivate and more closely integrate employees in order to ensure the organization's viability (1998, 57). In any case, the temptation must be fought to consider the content of organizational culture to be synonymous with "ethics". Lozano (1998, 57) proposes to determine the extent to which certain forms of organizational culture have eclipsed the fact that very close individual links with a company put certain aspects of personal development at risk. In other words, the discourse on organizational cultures can lead one to conclude that the mutual influence of individuals and organizations (in terms of values) can easily lead to a situation in which personal values are colonized by their organizational counterparts. The question then is, whether culture theory can solve this evaluative issue without a thorough investigation of meanings of ethics in organizations. It seems to be insufficient to promote a general moral culture concept that circles, for instance, around the idea of the moral autonomy and dignity of its members. That is, both descriptive and evaluative, theories of organizational culture fall short of exploring and explaining organizational morality. It is not the commitment to as moral stance that may be lacking, as Lozano (1998, 58) suggests, it rather is the lacking of knowledge of and commitment to ethics theory and lack of insight into the ambiguities of excellence that plays tricks upon theories of organizational culture. In particular, it is the lack of insight in the diversity of moral justification strategies that refutes culture theories as good candidates for moral climate theory. This cannot be overcome by adopting an Aristotelian virtue ethics perspective on organizational culture suggested by Lozano (1998, 60-63), since this only one of the many perspectives on ethics. Lozano (1998, 84) suggests from a communitarian point of view that ethical thought can provide a critical and innovative interpretation of the possibilities and limitations of the vision of business as cultures. Therefore, ethical integrity in an organization must be linked to dialogue, to the recognition of diversity and to promoting development processes and not be viewed simply as a

way to make everyone alike or cut down coordination costs. According to Lozano (198, 64), on-going discussions between advocates of the view of companies as cultures and proponents of Aristotelian tradition not only facilitate the affirmation of the individual as a moral subject, but also affirm the need to develop conventional morals which make the business ethics discourse meaningful and relevant. However, before this point is reached, we must overcome the tendency to identify ethics with corporate culture.

3.2.3 A broad spectrum of culture theories

In the preceding sections, I demonstrated that extant theories and typologies of organizational culture hardly pay theoretical attention to ethics, while the relation between ethics and culture needs thorough (re)examination. However, there is far more to say about and learn from culture theory than the previous sections reveal, as the seminal contribution of Allaire and Firsirotu (1984) shows. Although not everyone is convinced of the necessity of considering the sociological and anthropological roots of culture theory (Morey & Luthans, 1985), such an exercise may offer valuable insights.

In their much-quoted study "*Theories of Organizational Culture*", Allaire and Firsirotu (1984) made a distinction in schools of culture applied to organizations. They argue that an organization as a society writ small. Organizations are little societies with socialization processes, social norms, and structures. Within this very broad metaphor, the concept of culture takes it significance. The individuality of organizations may be expressed in terms of their differing cultures, just as the uniqueness of individuals is expressed in their personality. However, since culture is a motley concept, with a varying and often little understood incidence on the functioning of organizations, Allaire and Firsirotu propose that some clarification might be helpful.

The idea that organizations have (or are) cultures is a relatively new notion that emerged in the early Seventies on (see, for instance, Turner, 1971; Handy, 1976; Pettigrew, 1979, in order of appearance). The proposition that organizations do have cultural properties and do breed meanings, values and beliefs, nurture legends, myths and stories, and are festooned with rites, rituals and ceremonies, became rapidly popular. The price of this appeal was that an initially complex, difficult, but seminal concept was turned into a superficial fad and reduced to an empty if entertaining, catch-all construct explaining everything and nothing (as was demonstrated in the previous sections). When not followed by a critical elaboration, it is presumed that the word 'culture' is a stenographic cue for 'values, norms, beliefs, customs', or any other such thing of convenient chosen among the vast assortment of definitions available in a random pick of texts from cultural anthropology (Allaire & Firsirotu, 1984, 193-194). However, for the sake of honesty, it must be mentioned that cultural anthropology has given cause to this type of eclecticism, while collecting definitions by the dozens itself.

Allaire and Firsirotu argue that there are well-demarcated schools of thought on culture, and that adopting a particular definition of culture implies a commitment to specific conceptual assumptions and ways of studying culture. They show how these main schools of thought in cultural anthropology can be translated into different but compelling views of organizations. From the perspective, we can try to imagine how moral climate theory may fit into this conceptual landscape. Their intention is to examine and sort out these concepts of culture and trace their equivalence in the management and organization literature, and to conclude by

proposing a definition of organizational culture that is informed by the findings of their enquiry. The assumed relevance of their analysis for moral climate theory should be showing the ontology, epistemology, and methodology, as well as the different functions moral climate theory can have, when is conceived of as some sort of theory in line with organizational culture theory. Point of departure is the notion that cultural anthropology consists of numerous diverse and complex theories of culture that can be characterized by their particular assumptions, slants, and emphases. Allaire and Firsirotu (1984, 195, 196) draw a critical distinction between those theorists who view culture as meshed into the social system as opposed to those who consider it as a conceptually separated, ideational system. In the former view, the cultural and social realms are integrated into a socio-cultural system, postulating harmony, consonance, and isomorphism between these two realms: culture is a component of the social system, manifested in behavior and its products. The latter view proposes a conceptual and analytical distinction between social systems and cultural systems (as systems of ideas), distinct though interrelated.

Subsequently, these two main views can be broken down into several subcategories.
I. The *socio-cultural systems* view can be divided into four schools grouped according to their notion of time. The so-called "synchronic" schools - the *functional school* and the *functional-structuralist* school - focus on the study of culture at particular points in time and space. In a contrasting view of culture, the "diachronic" schools - the *historical-diffusionist* school and the *ecological-adaptionist* school - specifically encompass the time dimensions and focus on the processes involved in the development of particular cultures.
These four schools can be characterized briefly (for the most part in terms used by Allaire and Firsirotu, 1984, 197):
(1) In the *functionalist* perception (of Malinowski) culture is an instrumental apparatus by which a person is put in a better position to cope with the concrete specific problems faced in the course of need satisfaction. Manifestations of culture (such as institutions and myths) are explained by their functional necessity for the satisfaction of basic human needs.
(2) In the *structural-functionalist* view (of, for instance Radcliffe-Brown) culture is an adaptive mechanism by which a certain number of human beings are enabled to live a social life as an ordered community in a given environment. Culture is a component of an integrated social system that also includes a social structure component, to maintain an orderly social life, and adaptation mechanisms, to maintain society's equilibrium with its physical environments.
(3) In the *ecological-adaptionist* approach, culture is seen as a system of socially transmitted behavior patterns serving to relate human communities to their ecological settings. Socio-cultural systems and their environments are involved in dialectical interplay, in a process of reciprocal (feedback) causality. Neither environment nor culture is a 'given', but each is defined in terms of the other: the environment is not merely a set of contextual factors limiting or constraining the development of culture. It has a selective role in channeling the evolution of culture, which, in turn, influences environmental characteristics.
(4) In the *historic-diffusionist* view, culture is regarded as consisting of temporal, interactive, superorganic, and autonomous configurations or forms produced by historical circumstances and processes. There is a concern with migrations of cultural traits from system to system and from place to place (through processes of diffusion) and with system changes taking place because of acculturation and assimilation processes.

II. The culture as *ideational systems* view subsumes four very different concepts of culture that nevertheless share the postulate of a distinct cultural realm manifested in cognitive structures, processes and products. For three of these views – *cognitive* or *ethnographic*, *structuralist*, and *mutual* equivalence - culture is located in the minds of culture-bearers, whereas the fourth view -*symbolic* or *semiotic* - considers culture in terms of the products of minds (shared meanings and symbols).

> (1) The *cognitive (or ethnographic)* view defines culture as a system of knowledge, of learned standards for perceiving, believing, evaluating and acting, necessary for operating in a society in a manner acceptable to its members.
> (2) The *structuralist* view (of for instance, Lévi-Strauss) considers culture as made up of shared symbolic systems that are cumulative products of mind, a reflection of unconscious processes of mind that underlie cultural manifestations. The variety of cultural elaborations and artifacts results from transformations or permutations of formally similar processes and structures. The products of culture are very different, at least in a superficial sense, but since all cultures are the product of the human brain - which is assumed to use the same mechanisms for thinking - there must be features common to all cultures. Therefore, according to Lévi-Strauss, there are universals in human culture that will be found only at the level of the unconscious structure, but never at the level of manifest act.
> (3) In the *mutual equivalence* view, culture becomes a set of standardized cognitive processes creating the general framework for the mutual prediction of behavior among individuals interacting in a social setting. Culture facilitates the organization of very diverse cognitions and motivations with minimal or no sharing of goals and little overlap in individual cognitive structures. Culture is made of policies tacitly and gradually concocted by groups of people for the furtherance of their interests, and contracts established by practice between and among individuals to organize their strivings into mutually facilitating equivalence structures.
> (4) The *symbolic (or semiotic*) view locates culture not in people's heads but in the meanings and thinking shared by social actors. Those significant symbols, or products of mind, constitute the raw materials for the interpretation of the ordered system of meaning in terms of which social interaction takes place.

Allaire and Firsirotu used their typology of perspectives on organizational culture as a guide to examine and position of the concepts of culture found in the organization and management literature[43]. These perspectives show that the concept of organizational culture is a multifaceted and often confusing mixture of extant values, beliefs, meaning structures, symbols, myths, ideologies, and an assortment of artifacts including rites, rituals, specialized language, lore, customs, and metaphors. Allaire and Firsirotu conclude that these different concepts of culture lead to divergent and mutually exclusive notions of what culture in organizations might signify and portend. They suggest that in order to choose an appropriate concept for the study of culture in organizations, two sequential issues (to be discussed hereafter) have to be tackled, in addition to the obvious assumption that an organization may have a 'culture' that is different from the culture of the ambient society in which it is embedded. This assumption they consider not too controversial, since the multiple particularities of its birth and history, of its past and present leadership, of its modes of adaptation to specific technologies, industry characteristics and socio-cultural ambience may endow an organization with its very own 'culture' and 'cultural manifestations'. This raises the issue of the legitimacy of organizations when their values and practices differ from those of the society begetting them. Concerning this issue, the authors

distinguish three positions (1984, 210, quotation marks by the authors):

(1) all organizations subscribe to some basic values of the society from which they emerge (a fact that does not preclude wide and significant variation among organizations in ancillary or less fundamental values and cultural manifestations within organizations)
(2) there is not one set of basic societal values from which the organization's functional purpose and legitimacy must necessarily flow since society itself is pluralistic, supportive of a broad array of different values to which organizations may legitimately subscribe
(3) the organization, as a 'committed polity' with its own goals, value system and culture, nevertheless negotiates and develops support for its existence by appropriate strategies directed at critical segments of society at large.

Concerning the ontological status of organizational culture, Allaire and Firsirotu discuss two sequential issues.

(1) Should organizations be considered as socio-cultural systems, or as made up of a 'social system' and a conceptually separate, ideational, cultural system capable of a wide range of modes of integration with one another, of which the simple isomorphic mode is but a limiting case? That is, the organization may be well in a state of tension, disharmony, or dissonance. As we would say, there may or may not be a state of consistency between the diverse elements of the organization (strategy, structure, culture) and/or a state of contingency of the organization and its environment ('disjointed', 'dissociated', 'dissynchronized', 'mismatched', or 'imperfectly linked'). Of these elements, culture seems to be the most persistent element to change, and therefore possibly causing severe dysfunction (including reduced external internal efficiency) and compounded difficulties in coping with changed circumstances. There may even be an incompatibility between the culture and the formal strategy and structure and the culture. The notion of culture as an ideational system forces consideration of these issues, while providing a versatile conceptual tool that has proven its usefulness for the study of social system dynamics in cultural anthropology. In terms of moral climate theory, this perspective of moral climate as an ideational system (be it consonant or dissonant) may help to understand processes of organizational stagnation, decline, adaptation and rejuvenation, and of course, viability and success.

In four of the concepts of organizational culture - the cognitive, the structuralist, mutual-equivalence, and symbolic conception - culture is conceived of as an ideational system. With the first three schools, culture is located in the minds of culture-bearers, while for the symbolic school culture is located in products of mind, shared, social, and public. With regard to this ontological issue, Allaire and Firsirotu (1984, 211) raise a second issue:

(2) Should culture, as an ideational system, be conceived of as located in the minds of culture-bearers or in the products of mind shared by interacting individuals? This question immediately leads to a further, rather difficult question. If culture is located in the minds of individuals, what is meant then by culture as the shared property of groups? To answer this question, culture (like language) can be thought of as manifested in shared meanings and public *performance*. However, it is individually learned and admits considerable variation in cognitive structures and levels of *competence* (Allaire & Firsirotu, 1984, 212, italics in the original text). This issue concerns the relation between the individual actor and the cultural system. For the symbolic school, the linkage

or integration between the individual actor and the cultural system is an empirical issue, the explicit subject of inquiry with immediate and considerable relevance to organizational culture. Within this framework of the symbolic concept of culture, it is plausible to conceive of multiple modes of integration and relationship between the culture of an organization and the actor's personal construing and use of these meaningful materials (Allaire & Firsirotu, 1984, 212).
(1) One such mode may be that of *perfect and total replication* in the individual of the organization's system of symbols and meaning, which then powerfully condition the individual's responses. This leaves little room for individual choice and variations in organizational behavior (as, for instance, in Whyte's organization man, or in Goffman's total institutions). From the perspective of moral climate theory, this would mean a total congruence, rapport, or integration, of the stage of moral climate and the stage of individual cognitive moral development.
(2) A second and more common mode of integration is that of *partial replication*: the set of public organizational symbols is imperfectly reproduced in individual cognitions and modified and tempered by the particularities of the actor's personality and experiences inside and outside of the organization. Nevertheless, there evolves and subsists and communality of meanings among the various actors which facilitates their interactions and serves to make sense out of their organizational world. This partial replication implies the possibility of latent conflicts between individual moral development and moral climate becoming manifest when triggered.
(3) The *meta-cultural mode* is a third and very different mode of relationship between culture and individual actors, meaning that the individual understands the system of public symbols of the organization and uses it to anticipate and predict the behavior of the members of the organization who participate in its culture, albeit without affective response or involvement. Such type of relationship possibly permits the meta-cultural individual a certain distantiation from specific organizational situations and an enhanced capacity to bring about changes both in the cultural and socio-structural systems of the organization. Furthermore, this individual possibly has the competence to join an organization (and perhaps any organization) without being a member of it (for instance consultants, interim managers, and, of course, moral climate researchers).

As we may expect, these ontological questions about culture are not uncommon in moral climate theory. However, more important for our purpose is to examine, into which school of (organizational) culture moral climate theories fit, how moral climate is conceived of in terms of ideational systems, and how the relationship between the individual member of the organization and the organizational culture (or moral climate in particular) is represented.
Allaire and Firsirotu (1984, 213-215) constructed their own conceptual framework for organizational culture, broadly based on the symbolic concept of culture. In this framework, an organization consists of three interrelated components:

- a *socio-structural* system composed of the interworkings of formal structures, strategies, policies, and management processes, and of all ancillary components of an organization's reality and functioning (including formal goals and objectives, authority and power structure, control mechanisms, reward and motivation, process of recruitment, selection and education, sundry management processes)
- a *cultural* system - shaped by ambient society, the organization's history and particular contingency

factors impinging upon it - embodying the organization's expressive and affective dimensions in a system of shared and meaningful systems manifested in myths, ideology and values (understood as symbolic interpretations of reality providing meanings for social actions and standard for social behavior and being constitutive elements of ideology which integrates and arranges them into a unified system of beliefs) and in multiple cultural artifacts: rites, rituals and customs, metaphors, glossaries, acronyms, lexicon and slogans, sagas, stories, legends en organizational lore, logos, design, architecture; it changes and evolves under the influence of contemporary dominant actors and the dynamic interplay between cultural and structural elements

- the *individual actors* with their particular endowments, experience and personality, not merely passive recipients of a prefabricated 'reality' but contributors and molders of meaning, depending in their status and leadership role, striving to construct a coherent picture to orient them to the goings-on in the organization.

The relationship of individuals to the cultural system ('cultural competence') and the extent of shared meanings with other actors are variable and contingent phenomena. However, as all actors fabricate their 'meaning' from the same cultural raw materials, a considerable degree of shared meaning will tend to evolve among actors interacting in the same social context for a prolonged period.

In sum, in their 1984 contribution, Allaire and Firsirotu demonstrated the porous, ambiguous quality of the notions of culture found in the field of management and organization theory. Examined through anthropological lenses, the literature on management and organization reveals a both confusing and fascinating assortment of cultural notions and intimations. For the most part, organizations are implicitly considered as socio-cultural systems with an ideational, cultural component that is resumed, postulated, to be isomorphic and consonant with their social or structural component. Allaire and Firsirotu presented their conceptual framework for organizational as a particularistic system of symbols shaped by ambient society and the organization's history, leadership and contingencies, differently shared, used and modified by actors in the course of acting and making sense out of organizational events. In this conception, organizational culture is a powerful tool for interpreting organizational life and behavior and for understanding processes of decay, adaptation, and radical change in organizations. For, the authors conclude, whatever else organizations may be, they are both social creations and creators of social meanings, as is moral climate. .

The authors favor a consistency and contingency approach of organizational culture when stating that the cultural and socio-structural systems should have developed concomitantly and harmoniously, the former bestowing legitimacy upon the latter, and in turn receiving support and reinforcement from it. Depending upon the nature and strength of the system of symbols and meanings, the outcome of stress and dissonance between the cultural system and the socio-structural system may be more or less severe, ranging from temporary loss of efficiency to chronic stagnation and decay, organizational death, or cultural revolution. Norms, status and roles, immediate and concrete reflections of both the formal and informal dimensions of organization, provide sensitive indicators of the state of congruency between the two systems of the organizations. However, this evaluative position concerning organizational culture ignores moral core values of society and other ideological contingencies, thus leaving open types of organizational cultures that may be consonant with the strategy and structure of the organization,

yet falling short when compared to these basic values in society. Nevertheless, the model and its components presented by Allaire and Firsirotu, has significance for moral climate theory, insofar as the term 'cultural system' can be substituted by 'moral climate'.
Although the contribution of Allaire and Firsirotu helps to understand and clarify the ontological status of the moral climate construct, the question remains of how moral climate is related to organizational culture. To answer this question, in the next section positions in the climate theory are explored, followed by a discussion of the climate-culture controversy in section 3.4.

3.3 Organizational climate: positions and debates

3.3.1 Introduction

The question as to whether culture theory can appropriately capture the moral features of organizations can also be raised with regard to climate theory. An essential difference is that climate theory does not have values as one of its core concepts. As I will discuss in the next section, climate is a rather unspecified and empty concept, for reasons given at that place. Nevertheless, extant climate typologies can be examined for their moral connotations. However, since there was only one typology that met the criteria (be a current typology), this discussion can be rather brief. De Cock, Bouwen, De Witte en Visch (1984) designed a climate typology as well an instrument to measure it (the Organisatieklimaat Index for Profit Organizations, OKIPO, and a shorter version, the Verkorte Organisatieklimaat Index for Profit Organizations, VOKIPO).

Their typology is inspired by two essential questions every organization has to answer:
(1) Are people offered chances for development in this organization or do the goals of the organization get priority?
(2) Is this organization pointed at flexibility concerning its environment, or rather directed at preservation and control?

According to these authors, these questions relate to two dimensions in every organization, be directed at people versus be directed at the organization, and flexibility versus control. The combination of these dimensions offers a typology of four climate types

supportive climate	is directed at people and flexible, considers relationships more important than tasks, goals, and outcomes, while decisions are made informally
innovative climate	is directed at the organization and flexible, is focused on dealing with change, while work is arranged in terms of decentralization and delegation
respect-for-rules climate	is people-directed and control-oriented while focusing on procedures and regulations, offers safety and security, while risking rigidity and ossification
goal-oriented climate	is directed at people and control-oriented, based on authoritative decisions and decrees

Just as was the case with culture typologies, this climate typology offers no explicit cues for identifying moral features of organizations. However, at a deeper level, there may be connections with moral climate types (for instance, between a respect-for-rules climate and a Stage 3/4

company climate or a Stage 4 community climate, and supportive climate and a Stage 3 inclusion climate), as will be discussed in chapter 6.

The real contribution to be expected from climate theory is a thorough discussion of the climate phenomenon as such, which is in fact a part of the foundational analysis of the present study. As will become clear in chapter 5, there are hardly fierce debates with the domain of moral climate theory, if at all, concerning the ontological status of "climate". Many authors have followed Victor and Cullen in adopting a perceptual view on moral climate, without recognizing or even knowing other approaches. However, in the older field of organizational climate (without the specification "moral", "ethical", "safety", "innovation", "sexual harassment", "trust", "creativity", "learning", "diversity", or "spirituality"), the controversy between different views on organizational climate has taken place more explicitly (Field & Abelson, 1982; Guion, 1973; Hellriegel & Slocum, 1974; Hitt & Zikmund, 1977; James & Jones, 1974; Johannesson, 1973; Joyce & Slocum, 1982; Joyce & Slocum, 1984; Lawrence & Jones, 1974; Pritchard & Karasick, 1973; Qualls & Putto, 1989)[44]. For proper understanding the value of these contributions to moral climate theory, some of these views will be represented and discussed briefly in terms of ontological, epistemological, and empirical foundations. In this section, three approaches to climate will be explored and evaluated, two of which play of role in the present study, the perceptions approach and the attribute approach: climate as aggregated perceptions versus climate as an attribute of organizations. Furthermore, climate notions preferably will be discussed as "climates-for".

3.3.2 Three approaches to climate

What kind of phenomenon is climate? Being a meteorological metaphor applied to organizations, it is unlike the ever-changing weather, but rather like weather conditions that are more stable. Therefore, climate is a meaning metaphorical concept indicating stability (although climates may change over time). Turnipseed (1988, 18) prefers another metaphor when conceptualizing climate as the organizational mood, affected by events and characteristics of the organization, and in turn exerting influence on the behavior of the members of the organization. These metaphorical indications may be considered as both the forerunner and a symptom of hardly unparalleled conceptual and empirical difficulties.

Rousseau (1988, 140-141) offers a chronology of definitions indicating the elaboration of the concept from the perceived organizational properties and the cognitive representations and interpretations to molar or summary perceptions. These definitions range from organizational characteristics assessed through perceptions (where organizational or situational factors are presumed to dominate), to cognitive schema (where individual factors are primary determinants, to summary perceptions (where person and situation interact).

- Forehand and Gilmer (1964, 362) define climate in terms of characteristics that distinguish one organization from another, endure over time, and influence the behavior of people in organization. Climate is the personality of the organization.
- According to Friedlander and Margulies (1969), climate consists of the perceived organizational properties intervening between organizational characteristics and behavior.
- Campbell, Dunnette, Lawler, and Weick (1970) define climate as a set of attitudes and expectancies describing the organization's static characteristics and behavior-outcome and outcome-outcome

contingencies as a critical determinant of individual behavior in organizations, mediating the relationship between objective characteristics and individuals' responses.

- Schneider and Hall (1972) define climate in terms of individual perceptions of their organizations affected by characteristics of the organization and the individual.
- James and Jones (1974) define climate as psychologically meaning cognitive representations of the situation (perceptions).
- According to Schneider (1975), climate consists of perceptions or interpretations of meaning which help individuals make sense of the world and know how to behave.
- According to Payne, Fineman, and Wall (1976), climate is characterized by consensus of individual's descriptions of the organization.
- James, Hater, Gent, and Bruni (1978) define climate as the sum of members' perception about the organization.
- Litwin and Stringer (1968) define climate as a psychological process intervening between organizational characteristics and behavior.
- According to Joyce and Slocum (1979) climates are perceptual, psychological, abstract, descriptive, not evaluative and not actions.
- James and Sell (1981) define climate as individuals' cognitive representations of proximal environments… expressed in terms of psychological meaning and significance to the individual… an attribute of the individual, which is learned, historical and resistant to change.
- According to Schneider and Reichers (1983), climate is an assessed molar perception, or an inference researchers make on more particular perceptions.
- Glick (1985) uses "organizational climate" as a generic term for a broad class of organizational, rather than psychological variables that describe the context for individual' s actions.
- Moran and Volkwein (1992, 20) define organizational climate as a relatively enduring characteristic of an organization which distinguishes it from other organizations. Climate (a) embodies members' collective perceptions about their organization with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition, innovation, and fairness, (b) is produced by member interaction, (c) serves as a basis for interpreting the situation, (d) reflects the prevalent norms, values, and attitudes of the organization's culture, and (e) acts a source of influence for shaping behavior.

Of course, this is not a complete nor an updated overview, but it shows a diversity of positions concerning the meaning of climate. In their theoretical overview of positions concerning organizational climate, James and Jones (1974), discuss three major approaches toward organizational climate and its measurement: the "multiple measurement-organizational attribute approach", the "perceptual measurements-organizational attributes approach", and "the perceptual measurement-individual attribute approach".

I. The first approach treats climate as an **attribute** or set of attributes belonging to an organization, as is technology or structure. These attributes are viewed as being possessed by the organization itself, and are independent of the perceptions or attributions made by individual members. James and Jones (1974, 1097-1099) call this approach the *"multiple measurement-organizational attribute approach"*, which has the connotation that organizations may have some type of "personality" that can be described in psychological meaningful terms (for instance, friendly, open, trustworthy, inherently wicked). The underlying assumptions of this approach are that:

(1) organizations exist and persist despite fluctuations in membership
(2) organizations develop a set of characteristics that may be specified
(3) these specified characteristics are relatively enduing over time

(4) the specification of these organizational characteristics may be accomplished objectively; that is, once the set of characteristics is specified, the quality or values of these characteristics may be found independent of individual members' perceptions of the organization
(5) consensus across observers as to the quality of the characteristics, and thus the climate of the organization would be expected to be obtained.

From a methodological perspective, this approach asks for objective measures by well-informed informants, through field studies and experimental studies (James & Jones, 1974, 1097).

II. The second approach treats climate as an interaction of an organization's characteristics and the individuals' **perceptions of characteristics.** James and Jones (1974, 1099-1105) label this approach the *"perceptual measurements-organizational attributes approach"*. Researchers assume that organizations have relatively enduring characteristics that are moderators of performance and attitudes. However, climate is seen as a perceptual measure describing the organization and is different from attitudinal or evaluative variables. The underlying assumptions of this approach are:

(1) climate is considered a perceptual variable, dependent on self-report measures from individual members
(2) perceptions of climate are descriptive, rather than evaluative
(3) reports of individual members are expected to exhibit considerable congruence.

This approach assumes that climate constitutes a consensual perception of an organization's characteristics. A critical issue in this second approach concerns the consensus among respondents if this approach is used because it purports to measure climate as an organizational attribute. Therefore, as will be indicated below, the possibility of subclimates should be left open, because subgroups may differ in their perceptions of climate as a function of such variables as hierarchy or location (see also, Johnston, 1976, 101-102; James, 1982).

III. The third approach to measuring organizational climate is termed the *"perceptual measurement-individual attribute approach"* (James & Jones, 1974, 1105-1107). Essentially, this is an individual, psychological approach that considers what is psychologically important to the individual based on how s/he perceives the work environment. From this perspective (advocated by, for instance, Schneider, 1972), climate is an **individual's summary of perceptions** of his or her encounters with the organization, in which climate takes the form of situation specific values reflecting those aspects of the situation to which individuals attach importance. Climate is an individual attribute. In this approach, climate is conceptualized as an "intervening variable" because it is caused by discrete experiences (both organizational and individual) and in turn causes later behaviors. Because of its intervening and perceptual nature, organizational climate is regarded as neither an independent variable subject to manipulation nor an outcome criterion (James & Jones, 1974, 1105). James and Jones (1974, 1107, 1110) suggested distinguish the latter approach from the first two by differentiating between "psychological" climate (approach III) and "organizational" climate (approach I en II). Essentially, this distinction is based upon the unit of theory to be considered, as well as the assumptions under which the research is to be pursued. Researchers interested in individual perceptions would consider psychological climate as the unit of theory, whereas organizational attributes would be considered if one were investigating organizational

climate. In this third approach, accuracy and/or consensus are not relevant when climate is treated as an individual attribute because it is the individual's perceptions that are important, not the objective situation (Guion, 1973, 122-123). Therefore, James & Jones (1974, 1107) suggest that investigations of relationships between objective situational measures and perceived organizational climate would be a beneficial and a necessary addition to this approach since a major assumption made by the individual attribute theorists is that the perceived situation is more important than the objective situation in determining individual behaviors.

The question is whether these conceptualizations are or are not redundant, or even phlogiston-like (not only invisible, but non-existent as well; Kopelman, Brief & Guzzo, 1990, 287-288). Apparently, the third conception ("*perceptual measurement-individual attribute approach"*) may coincide with concepts such as job satisfaction or commitment, making it a rather superfluous concept. According to James and Jones (1974, 1099), the first conception (*the "multiple measurement-organizational attribute approach*) may also be redundant. As they put it,

> "In fact, almost any study focusing on organizational or group characteristics would be included in the general area of organizational climate. In this respect, organizational climate appears synonymous with organizational situation and seems to offer little more than a semantically appealing but "catch-all" term. In a field already replete with broad, complex, and frequently misunderstood definitions, the need for yet another sweepingly defined term is questionable".

Perhaps this conclusion is arrived at too hastily. When a climate concept is not specified, climate can refer to anything and everything. As Rousseau (1988, 140, 142) puts it, climate is a content-free concept, denoting in a sense generic perceptions of the context in which an individual behaves and responds. This treatment of climate as a generic perception of situations has the advantage of allowing summary assessments of context in research that is otherwise largely individual-level in focus. However, the lack of boundaries makes it troublesome to differentiate climate from what it is not. It may in fact be suppressing climate research by causing researchers to focus on either specific perceptions of context exclusively (making the climate concept redundant) or to reject its relevance to the study of organization. Therefore, to understand climate appropriately, a classification is needed to specify contents and to avoid a very general and empty conception of climate. According to Jones and James (1979) there are no climate types, but just a set of climate dimensions varying from situation to situation. Climates are assumed to exist on a continuum, with as many possible climates as there are combinations of dimensional values (morality being one of those dimensions, and a special one, that makes up climate, and as we will see in the discussion of moral climate research). For instance, Pritchard and Karasick (1973, 133-134) identified eleven dimensions and developed accompanying scales to measure climate:

> (1) *Autonomy*:
> the degree of freedom managers have in day-to-day operating decisions such as when to work, when not to work, and how to solve job problems.
> (2) *Conflict versus cooperation*:
> the degree to which managers either compete with each other or work together in getting things done and in the allocation of scarce resources.
> (3) *Social relations*:
> the degree to which the organization has a friendly and warm social atmosphere.

(4) *Structure*:
the degree to which the organization specifies the methods and procedures used to accomplish tasks and the degree to which the organization likes to specify and codify, and write things down in a very explicit form.
(5) *Level of rewards*:
the degree to which managers are well rewarded in terms of salary, fringe benefits, and status symbols.
(6) *Performance-reward dependency*:
the extent to which the reward system (salary, promotions, benefits) is fair and appropriate and the degree to which these rewards are based on worth, ability, and past performance rather than factors such as luck, who you know, how well a manager can manipulate people.
(7) *Motivation to achieve*:
the degree to which the organization attempts to excel, the strength of its desire to be number one.
(8) *Status polarization*:
the degree to which there are definite physical distinctions (for instance, special parking places and office decorations) as well as psychological distinctions (informal social boundaries, treatment of the subordinate as inferior, etc.) between managerial levels in the organization.
(9) Flexibility and innovation:
willingness to try new procedures and experiment with change which is not really necessary due to some potential crisis situation, but rather to improve a situation or process which may currently be working satisfactorily.
(10) *Decision centralization*:
the extent to which the organization delegates the responsibility for making decisions either as widely as possible or centralizes it as much as possible.
(11) *Supportiveness*:
the degree to which the organization is interested in and is willing to support its managers in both job- and non-job-related matters and the organization's degree of interest in the welfare of its managers.

In fact, they identified eleven possible aspect climates, some of which are conceptually related. Most of these dimensions have moral overtones without these being specified[45]. When climate is understood as a climate for "something", it needs not to be redundant. A climate for care, creativity, safety (Zohar, 1980), learning, innovation, trust, service (Schneider, 1990), and for ethics (or, preferably, moral climate) may indeed be useful concepts because of the specific denomination, as many publications on these subject matters demonstrate. In fact, as Rousseau (1988, 148) notes, this movement away from the tradition of climate as undifferentiated summary perceptions (in terms of any dimensions) toward facet-specific climate reflects the trend toward conceptual vigor, methodological sophistication, and precision in the use of data. The emergence of moral climate theory can be considered as exponent of this trend[46].

How about the second conceptualization (*"perceptual measurements-organizational attributes approach"*?). It can be easily inferred from the considerations presented above, that the second approach is redundant to both sides. The organizational attribute part may coincide with other organizational attributes (for instance, structural properties and other features of the organizational situation), whereas the perceptual part covers the psychological climate aspects. The definition of Campbell, Dunnett, Lawler, and Weick (1970, 390) reflects this uneasy position when they define organizational climate as:

> "a set of attributes specific to a particular organization that may be induced from the way the organization deals with its members and its environment. For the individual member within an

> organization, climate takes the form of a set of attitudes and expectancies which describe the organization in terms of both static characteristics (such as degree of autonomy) and behavior-outcome and outcome-outcome contingencies".

This emphasis on the perceptual nature of organizational raises serious questions concerning the importance of the actual situation versus the perceived situation, and the relationships between objective and perceptual factors, especially in terms of the determinants and the accuracy of such perceptions. In fact, many issues considered to be perceptual factors, appear to be structural aspects that can be measured objectively by those people who know what they are looking for and that are able to observe closely (see for examples, James & Jones, 1974, 1101). Guion (1973, 121) concluded that the stipulation of perceptual measurement of organizational climate appeared to be more a function of methodological convenience than a deliberate intention to move to a new construct. James and Jones (1974, 1108) agree with Guion while stating that many climate researchers appear to be more concerned with measurement techniques than with understanding and explicating the underlying concepts or constructs they were attempting to measure. As we will in the third chapter, this phenomenon can also be perceived in moral climate research. Only after the conceptual boundaries of organizational climate are spelled out should the measurement and operationalization become matters of major concern.

In line with this, Guion concluded that climate researchers were confused as to whether climate was an organizational attribute or an individual attribute. If considered an organizational attribute but measured perceptually, then the accuracy of perception should be validated against objective, external measures of the situation or at least validated against consensus of perceptions. According to James and Jones (1974, 1102), the idea is that if a situational variable is to be used to describe climate and the variable may be measured objectively as well as perceptually, the use of an accumulated measure of individual perceptions (for instance, mean or mode) may be validated by demonstrating a substantial relationship between the objective and perceptual measures of that variable (that is, accuracy of perception). However, although accuracy would imply consensus, the obverse is not necessarily true since individuals may share inaccurate perceptions of the situation. Nevertheless, even the extent to which the individual's perceptions (whether accurate or not) are shared and supported by others in the organization has been shown to be an important situational influence (James & Jones, 1974, 1102). Even when individuals test the accuracy of their perceptions against the perceptions of others in the same situation, a demonstration of consensus of perception should not negate the concern for accuracy. Objective measures of organizational attributes are needed to determine the accuracy of perception, the antecedents of perception, and relationships between accuracy and future states of behavior, as was pointed out by Guion (1973, 122).

This asks for the concern to consider relationships between subjective perception and the objective situation as well as the appropriateness of perceptual information to describe an organizational attribute. Perceptions are the meaningful interpretation of sensations as representatives of external objects, are in fact the sole internal representatives of external objects, the mind's reflection of matter (Cohen, 1969, 6). However, numerous processes may affect perceptions (Secord & Backman, 1964, 14):

(a) selectivity of perception and characteristic ways of organizing stimulus patterns
(b) frequency of previous experience with particular stimulus patterns and responses

(c) reinforcement history of previous experiences (positively, negatively)
(d) contemporary factors prevalent at the moments of perception (for instance, fatigue or anxiety)
(e) indicators or measurement procedures of perception.

As an effect of these processes, serious forms of respond and informant bias may occur, including social desirability bias (discussed in chapter 2). Siehl and Martin (1990, 245-246) used the *espoused* versus *enacted* distinction (borrowed from Argyris & Schön, 1978, based upon the distinction between espoused theories and theories-in-use) to indicate a special form of bias that may play tricks upon climate theory in general and moral climate theory in particular. Climate perceptions consist of themes that may be espoused or enacted. Espoused themes are expressed perceptions or opinions - what respondents or informant say they think, believe, perceive, or do himself or herself, or what they say others in their milieu think, believe, perceive or do (their espoused theory about organizational reality). In contrast, enacted themes are abstractions capturing aspect of how people actually think, believe perceive, and behave (theories-in-use) rather than how they say they do. This distinction is important because it explains impression management and social desirability responses and explains why people do sometimes tell more than they (can) know. More in general, this distinction demonstrates how attitudes, previous experiences, interests, positions, and fixed beliefs can affect perception, memory, and eventually opinions expressed. Therefore, Siehl and Martin (1990, 245-246) suggest keeping espoused content themes conceptually distinct from enacted content themes. Since espoused and enacted content not likely to be highly correlated, according to Siehl and Martin, researchers should always more than espoused content themes, for instance by using qualitative methods to "penetrate the front" of espoused content themes and to develop a richly detailed and context-specific understanding of actual behavior.
Of course, there several other types of perceptual bias, including false generalizations, halo- and horn phenomena, and so on. Concerning moral climate perceptions, these processes on their turn may be influenced by the level of moral development of the perceiving individuals, for instance, by determining which are moral stimuli and which are not (moral awareness). In fact, potentially there as many climates as there are people in the organization, whereas climate measures rather identify types of people than types of climates.
The distinction between espoused and enacted content is also relevant to moral climate theory. It may be expected that many moral climate surveys tap espoused moral climate and not so much enactment moral climate. It should be kept in mind that both espoused and enact moral climate may be desirable or undesirable. The actual moral climate may be perfectly all right (for reasons discussed later) and yet not be espoused. The espoused moral climate may be desired because it is considered to match with the tasks and assignments of the organization, yet not being practiced actually and thus remains an ideological notion to pay lip service to whereas the actual moral climate is not desired because of alleged or real misfits.

Johannesson (1973 119, 122) doubts the possibility of objective climate perceptions when they overlap with job satisfaction measures[47], since feelings that are involved with satisfaction may heavily influence perceptions and the way they are described. Feelings influence descriptions.

One's perception of his job is highly colored by his satisfaction with it. Therefore, Johannesson asks, how can derivatives of them be called satisfaction dimensions at one point in time and climate dimensions at another? In addition, in moral awareness, emotions play an important role, too. In sum, the perceptual approach to climate and moral climate is bristling with pitfalls, when perceptual differences between individuals are not necessarily descriptive of the organizational situation but rather a function of individual attributes. According to James and Jones (1974, 1105), the perceptual measurement-organizational attribute approach may inherently even include a logical inconsistency:

> "On one hand it proposes to measure organizational attributes which have been shown to vary across levels of explanation (e.g., total organization, subsystem and group; or from a related standpoint, causal and process variables), while on the other hand it is considered a psychological process which operates at a level of explanation separate from objective organizational characteristics and organizational processes. This seems to confound stimulus properties with response properties. Organizational attributes represent stimulus conditions (…), while perceptually measured organizational climate represents a set of responses to the organizational characteristics and processes. The psychological process level of explanation places emphasis on the characteristics of responses, namely individual differences which may or may not be congruent with stimulus conditions. Thus, it appears inconsistent to require the same set of organizational climate data to be accurate measures of organizational stimuli and simultaneously to be representative of the response-oriented psychological process level of explanation".

What does this imply for (moral) climate research? Johannesson (1973, 142-143) suggests exploring alternative methods for assessing the quality of organizational environments instead of surveys, even if this is costly and time consuming. The unit of analysis is no longer the individual (each datum is one person, which make this type of research popular), but the organization, or one or more of its units, while data need to be collected over many organizations to offer possibilities for comparison. Johannesson advocates the utilization of non-participant observers, trained to observe and record critical behavior sequences among members of the organization (observing how discipline is handled, crises situations met, work assigned, and rewards distributed, all possible climate indicants). As he puts it, "observation is too often a poor sister to the rest of the principles of the scientific method" (1973, 143). However, the issue can be pushed somewhat further by suggesting that for objective measures of climate as an organizational attribute, perceptions (of employees) in fact may not matter at all when they reveal themselves as unreliable respondents. Competent (expert) observers, skilled interviewers, and document analysts may be more helpful in collecting useful data. This does not imply that perceptual measures should be discarded totally. It does imply that they should be scrutinized and used carefully, as additional material, based on sound composition models (to be discussed hereafter). In sum, methodological triangulation is the device, but not before carefully formulating the constructs to be investigated while avoiding inappropriate combinations due to paradigm contradictories.

James and Jones (1108-1109) offer suggestions for reconceptualization, first of all, distinguishing climate as an organizational attribute (organizational climate) from climate as an individual attribute (psychological climate)[48]. With respect to the three approaches described, the term organizational climate would include the multiple measurement-organizational attribute approach under which the perceptual measurement-organizational attribute approach would be subsumed

since it was recommended that the stipulation of only perceptual measurement be dropped. Furthermore, the authors propose to direct considerable energy toward

> "the systematic and thoughtful investigation of conceptual bounds of organizational climate, so that researchers may ascertain the specific variables, dimensions, and constructs to be included in the organizational climate domain and, more importantly, the ways such dimensions supersede or differ from other variables, dimensions, and constructs previously used to study situational characteristics".

Another concern is the use of perceptual measurement of organizational climate. When perceptual measurement is to be used, variance in scores must be shown to be related to differences in situations rather than differences in individuals, which may turn out to be not easy. As James and Jones (1974, 1108-1109) suggests, there is a great probability that the fact of consensus or diversity of perception among the members of an organization is itself a potential situational influence capable of altering the climate experienced by the individual. Therefore, James and Jones recommend directing considerable attention to the development of objective measures of organizational climate variables. If perceived measures are to be used as organizational attribute, then the accuracy of perceptions of organizational climate should be ascertained by determining their relationships to objective measures, to separate variance attributed to individual differences in perception from variance attributed to the particular role, task, or working situation of the individual.
These suggestions can be summarized as follows (James & Jones, 1974, 1110):
(a) determine the conceptual bounds, variables, and dimensions relevant to the organizational climate domain;
(b) investigate the relationships between multiple sources of measurement of organizational climate variables, both objective and subjective;
(c) determine the accuracy of perceptual organizational climate measurements with respect to objective organizational climate variables;
(d) ascertain the role of consensus versus diversity of perception as a situational influence;
(e) develop realistic organizational models for organizational analysis and to determine the position of organizational climate in such models;
(f) ascertain appropriate levels of explanation for each level of analysis for the data (for instance, can perceptual measures be accumulated to represent group, subsystem, or organizational levels of explanation);
(g) investigate relationships between measures of organizational climate and both individual behavior and attitudes and organizational performance[49].
In sum, James and Jones (1974, 1109) conclude that there are types of situational influences which might be appropriately considered organizational climate and which may go beyond known situational characteristics. One example of this type of variable is the role of consensus of perceptions of the environment and the influence of consensus or lack of it upon behavior. Another example might be dimensions representing a separate state of events stemming from interactions between known situational characteristics but which go beyond a summary or composite measurement of these characteristics.

In sum, there are two opposing conceptions of climate; one position is realistic and objectivistic,

whereas the other is phenomenological and subjectivist. We would concur with the way Ekvall (1987, 177-178) describes these two positions:

> In objective perspective, climate is an attribute of the organization that exists *independently* of the organization members' perceptions and apperceptions. It is an objective existing part of the organizational reality. According to the subjective approach, the organizational climate is regarded as a perceptual and cognitive structuring of the organizational situation common to the organizational members. In the organization, there is a continual flow of events and actions, of routines and processes. Individuals encounter these various phenomena and try to interpret them so that the surrounding world becomes comprehensible. They create a "cognitive map" for themselves; with its help, they can place what they see and hear, thus becoming able to see more meaning in it. When the members of the organization interact with one another, there is an exchange of experiences and apperceptions; their many personal cognitive maps confront one another and are modified. In this way, common ways of perceiving and interpreting what happens in organizations arise. According to this approach, the organizational climate consists of the common apperceptions that evolve in the course of time and events."

In this way, once established common maps become a part of the organization's reality that influence people on their part. In this definition, climate may indeed less resistant to change than culture because the deep lying assumptions and world views that lie behind cultural artifacts. At this point in our discussion, after having considered the concepts of climate and culture and a small number of typologies, we can address the question of the relational between climate and culture. Do the concepts of culture and climate represent two entirely separate phenomena or do they refer to two closely related phenomena that are examined from different perspectives (Denison, 1996, 626)? Perhaps, perceived or alleged differences may be more closely linked to contrasting differences of perspectives than differences of substances. For instance, there is considerable conceptual overlap, Schein's definition of organizational culture (1990, 12) and the climate definition of Tagiuri and Litwin (1968, 25) show:

> Schein: culture is a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.
>
> Tagiuri and Litwin: climate is the relatively enduring quality of the total organizational environment that (a) is experienced by the occupants, (b) influences their behaviors, and (c) can be described in terms of the values of a particular set of characteristics of the environment (climate being "phenomenologically external", yet "in the actor's head") .

Concerning contents, Denison (1996, 628) described striking similarities between the culture and the climate perspective, more in particular when culture and climate are described in terms of comparative traits or dimensions. For instance, the concept of *power distance* that is used within culture theory (Hofstede, 1980) resembles the concept of *aloofness* that is used in one of the earliest studies of organizational climate (Halpin & Croft, 1962). Tasks that can reveal and organization's culture - decision-making, communicating, organizing, outcome orientation, risk taking, social control and autonomy, cohesion and affiliation - are also known in climate literature.

3.4 The climate – culture controversy

3.4.1 Introduction and overview

When the real difference between climate and culture is methodological - quantitative methods in climate research to identify patterns in climate dimensions and qualitative methods in culture research to arrive at thick descriptions of meaning structures - the combination of research methods might easily solve the climate-culture controversy. Perhaps, this conclusion is drawn to easily, and even worse, unwarranted, too. As was illustrated in terms of beetle issues, there is a theoretical jungle concerning the terms climate and culture, one of the causes of considering moral climate as a rhizome rather than a concept with a fixed and rigid meaning. Using the terms interchangeably is ignoring differences in tradition, contents, and methodology. The alternative is examining possible relations between these concepts. From a logical point of view, there are five possible relations between the concept of climate and culture:

(1) The concepts are unrelated.
(2) The concepts are identical, coincide, and could as well be considered as one construct.
(3) There is whole-part relation, in which culture is a part, aspect, or element of climate.
(4) There is whole-part relation in which climate is a part, aspect, or element of culture.
(5) The concepts refer to different, but related phenomena in organizational reality in terms of levels[50].

The fifth option is favored by Schein (1990, 109). Although he addresses organizational climate as an essential phenomenon of culture – as in option (4) - he specifies the relation between climate and culture as a *surface – depth* relationship, as in option (5). In this relationship, organizational climate can be observed and measured directly, stemming from a longer lasting research tradition than organizational culture. Climate research remains at the surface and does not penetrate into the deeper causal aspects of organizational functioning in the way culture research does. Culture theory pretends to be more profound, deeper, and more comprehensive. In this sense, culture theory could explain climate differences, whereas climate theory could not explain culture

Ashforth (1985, 842-843) also conceptualizes the relation between climate and culture in terms of more or less deeper aspects of an if possible coherent system of meanings that guide organizational behavior, with climate at the perceptual level and culture (assumptions and values) and a more profound level. To Ekvall (1989, 20), concurring with Ashforth's view, climate is a more superficial feature of organizational life and much easier to observe than cultural assumptions, values, and beliefs that represent in fact deeper psychic structures. Patterns of perceptions, attitudes, and behaviors that constitute organizational climate are largely determined by beliefs and values. In this sense, one could claim that culture "causes" climate (for instance in the way described by Ekvall, 1987). As Alvesson and Berg (1988) put it, culture focuses on the mechanisms that lie behind the construction of the worldview of the corporate collective, while climate concentrates on experiences that culture gives to individuals. Ekvall (1989, 23) admits the obscurity of this excerpt, but gives an interpretation: probably patterns of symbols and basic assumptions direct the way in which an individual perceives organizational reality and hence exert influence on the climate as is seen from the subjectivist point of view.

However, is Ashforth right when claiming that (a) the stronger the culture, the greater the impact on climate, and (b) it may be futile to attempt to understand or alter a climate without first considering the culture that may have given rise to it and likely sustains it? Obviously, the understanding of the etiology of climates, and perhaps of a possible typology of climates as well, has much to gain from an understanding of the cultures that likely inform them. However, perhaps the relation between climate and culture parts of the same molar concept describing the organizational context is more intricate. Concluding that a depth-surface relation between culture and climate exists may be the safest conceptual solution in the climate-culture controversy. Yet we to deal with two different traditions, each with its own concepts and methodology, as will be explained through a closer examination of both traditions.

- *A descriptive model of concept evolution*

In their much cited contribution on the differences between organizational climate and organizational culture, Reichers and Schneider (1990) emphasize that the concepts of culture and climate in fact represent two more or less distinctly operating research traditions, each with its own paradigm, research methods, and stronger and weaker sides. Their conclusion is that both paradigms do not point at entirely different matters in reality, so that there is much to say for integration. Yet, there are differences in backgrounds and points of departure that make a brief comparison of these two paradigms necessary and worthwhile.
Reichers and Schneider (1990, 6-7) use a three stage model of concept development and construct evolution that is based on Kuhn's description of 'normal science' (Kuhn, 1979a; 1979b).

1. In the first stage, a new concept is *introduced* and *elaborated* , that is, either invented, discovered, or borrowed from some other field (such as both the concepts of climate and culture). Essential to the stage is the legitimization of the new or newly borrowed concept, for instance through lectures and articles in which the (academic) public is pointed out to the meaning and the relevance of this concept, and its utility for integrating and/or understanding previously vague ideas or disparate findings. In this first stage, articles often have the tenor of investigating and making operational definitions of the new concept, and "proving" that the concept is indeed about something really existing, not only because of the new concept, but that existed before, yet not or badly understood.
2. The second stage of concept development is characterized by *evaluation* and *augmentation*. During this stage, the first (though by no means the last) critical reviews of the concept and the early literature appear. Conceptualization may be faulty, operationalization inadequate, and empirical results considered equivocal. Authors then begin to suggest moderating and mediating variables as explanations for conflicting findings as well as general and specific exhortations to improve research procedures and measurement techniques. Responding to and in tandem with these critiques, articles appear that attempt to overcome criticism and augment preliminary findings, while researchers present data supporting the uniqueness of the concept and demonstrating its distinctiveness from other, similar concepts. Limitations of the earlier conceptual and empirical work are acknowledged while authors offer "new and improved" conceptualizations and empirical studies. Reconceptualizations of the concept appear, and are applied to a variety of theoretical and/or practical problems.

3. Essential to the third and final stage of concept development are *consolidation* and *accommodation* of the particular concept. During this stage, controversies lose their sharp edges and partial consensus will appear. Reviews of the literature state factually what is and is not known. One or two definitions of the concept become generally accepted, and relatively few (procedures for) operationalizations predominate. The antecedents and the consequences of the concept are well known, and boundary conceptions specified. Meta-analyses appear consolidating previous findings, while overviews delineate the state of the art. Sometimes a concept has gained such a high degree of acceptance that it is deemed dead, as seems to have been the case with the climate concept. However, in most cases concept acceptance is signaled by its inclusion in more general models of individual and/or organizational behavior. Typically, a matured concept appears as a moderator, mediator, or contextual variable in models of more general interest. It is at this point of concept development that researchers may move on to "younger" concepts, while the overall quantity devoted to the subject declines. However, a few persistent individuals may continue to chip away at the remaining mysteries inherent in the mature concept, and occasionally, some aspects of a concept's history will be revived and recycled by a particular researcher or theorist, leading to further explication and retort (Reichers & Schneider, 1990, 7).

As is the case with many other developmental models, the model described by Reichers and Schneider shows some limitations and weaknesses. Stages are not defined purely in a chronological sense, but also by the type of research activity being conducted. According to the authors (1990, 8), it is therefore possible that an article published in 1986 is appropriately categorized as being in stage 2 (evaluation and augmentation), while a piece published in1980 may be illustrative of the third stage (consolidation and accommodation). This phenomenon contributes to the "fuzziness" of stage boundaries and the inability to specify precisely at what point in time an idea makes the transition from one stage to next one. In addition, it is often difficult to place critical reviews in particular stage. Though the authors have placed critical reviews in stage 2 of their model, they stress the importance of recognizing that reviews can occur at any time in a concept's evolution.

Despite its inherent imprecision, Reichers and Schneider consider the life cycle model useful in a number of ways. First, it may help organizing the vast amounts of literature generated about a particular topic by suggesting an underlying evolutionary pattern in it the apprehension of which adds meaning beyond that contained in any single text. Second, because of its general character the model can be applied to any (social scientific) topic (for instance, concerning the development of the Dutch concept of educational supervision Bennink, 2001).

In chapter 6, the model will be used to assess the actual state of the development of moral climate theory. Though the degree of fit between the model and a concept may vary from topic to topic, Reichers and Schneider think the model fits most topics enough to provide the structure and meaning expected from it. Failure of the model to fit a particular idea well provides opportunities for further analysis and insight into the peculiar developmental histories exhibited by some concepts. For instance, when a particular text about the issue at hand appears not to fit into the model, this might point at peculiarities in the development of that concept. Third, the model can give some insight into the relationship between the development of the model and the

careers of individual people in the field. Concepts develop because of the contributions of many individuals, and over time a pattern becomes visible that is not due to any individual person. Individuals pursue their own interests within a topic area, and there is a great deal of variation with respect to how much subsequent research is built on or is affected by earlier work.
The development of concepts of climate and culture can be described to some degree with the model outlined above, and developmental differences can be noticed. From the overview presented by Reichers and Schneider can be concluded that the development of the concept of climate was characterized by a swift start in the context of the late Sixties in which empirical findings were considered more important than conceptual and empirical refinements. This explains why texts about the climate concept show an uneven distribution with regard to stages: relatively few stage one texts and relatively many stage two texts. Ill-conceptualization of the climate concept may have its impact on the development of the moral climate concept, when climate concepts are used uncritically. That is, climate literature may not be an unequivocal guide (Reichers & Schneider, 1990, 14).
The development of the culture concept shows a different pattern, with many contributions that fit into stage one, and relatively less fitting into stage two. This means that researchers of organizational culture have devoted much energy to the exploration and definition of the culture concept when discussing what should and what should not be included in the concept (values, norms, shared meanings, rituals, myths, the impact of organizational saints, heroes, bastards and assholes, artifacts, assumptions, mental models, and so on). For investigating organizational culture, we need a clearer operationalization of the concept.

- *Circumstances explaining developmental differences*

There are specific circumstances explaining the dissimilar development of the concepts of climate and culture.
1. The first circumstance is that the climate concept is more like a self-developed concept than is the culture concept. Both concepts are borrowed, from respectively meteorology and anthropology, but the conceptual distance of the climate concept to organizational phenomena is quite larger than that of the culture concept. Probably, the metaphorical character of the use of the climate concept was rather obvious and did not need much exploration and definition at all. The organizational influences on worker's motivation and behavior can metaphorical easy be understood in climate terms. Just like the weather, the atmosphere of an organization may or may not feel good[51]. On the other hand, because of its anthropological origins the culture concept is in need of more critical exploration and definition to show its meaning and usefulness when applied to organizational contexts. Hence, the emphasis on stage one texts can be explained.
The beginning of the tradition of the culture concept is considerably easier to trace when compared to the start of the climate tradition. Preceded by Elliot Jaques' study "*The Changing Culture of a Factory" (*1952), in the late Seventies and early Eighties, the first texts were published in which the concept culture was translated from anthropology to organizations (see, for instance, Pettigrew, 1979, and Tennekes, 1995, for a critical evaluation of these attempts). Denison (1996, 621) memorizes, that the culture perspective has offered more book-length ethnographies, for instance the contribution of Rohlen (1974) describing white-collar workers in a Japanese bank (analysis of social structure, career pathways, organizational cultures, individual meaning, and

organizational adaptation) and the analysis of organizational climate of schools (Halpin & Croft, 1962).

A first major publication was *'Corporate Cultures: The Rites and Rituals of Organizational Life'* of Deal and Kennedy (1982). In 1983, a special issue of '*Administrative Science Quarterly'* was devoted to organizational culture, as was a special issue of *'Organizational Dynamics'*, with special attention for managerial implications. In 1984, Allaire and Firsirotu published their much-quoted study of theories of organizational culture (discussed above). Little later Schein's highly acclaimed classic *'Organizational Culture and Leadership'* was published (1985). In that same year, the reader *'Gaining Control of the Corporate Culture'* of Kilmann, Saxton, Serpa, and associates saw the light of day. Also of importance were those studies investigating national culture, as did, among others, Hofstede's *'Culture's Consequences: International Differences in Work-related Values'* (1980). Thus, in a relatively short period of time, the culture concept was introduced and defined within organizational contexts.

In contrast, the start of the tradition of the climate concept is much harder to trace unequivocally. As early as in the Thirties and Fifties studies were published on group and organizational climate. An early example is the study of Lewin, Lippitt, and White (1939) on experiments of what they called 'social climates' in boys' groups. Other studies using climate notions included Fleishman's study on leadership climate (1953), Argyris' study of the climate in a bank (1958) and McGregor's study on 'managerial climate' (1960). An influential publication was the 1968 conference volume edited by Tagiuri and Litwin called *'Organizational Climate: Explorations of a Concept'*. In that same year 'Motivation and Organizational Climate' of Litwin and Stringer was published, including several experimental and field studies about the influence of organizational climate on human motivation for power, achievement and affiliation. Likert (1961; 1967) and Campbell, Dunnette, Lawler, and Weick (1970) also contributed to the early climate literature by each defining a set of dimensions thought to represent the most salient dimensions of organizational climate, for instance, structure, responsibility, reward, risk, warmth, support, standards, conflict, and identity.

Organizational climate was operationalized through assessment of people's perceptions, and practical implications of the research were addressed. In these studies, the climate concept was used predominantly unexamined in a metaphorical sense, and the word climate was often written between quotation marks.

2. The second circumstance explaining developmental differences between the concepts of climate and culture has to do with differences in concern of researchers (Reichers & Schneider, 1990, 20). Researchers in the climate tradition were guided by Lewin's famous maxim that there is nothing as practical as a good theory. This Lewinian influence emphasized organizational effectiveness more than careful elaboration of the climate concept that was considered a useful tool in understanding why some organizations were more effective than other organizations. When compared to the culture concept borrowed from anthropology, the culture tradition showed less commitment to organizational effectiveness. Description of culture was considered more important that evaluating the effectiveness of culture or making them more effective. However, more recently, questions of effectiveness and functionality are becoming more important, especially from the perspective of contingency theories (as was demonstrated in

section 3.2).

3. A third cause of developmental differences between the concepts of climate and culture concern the relative dearth of empirical studies and critical examinations regarding the culture concept. Put in stage terms, there was a lack then of stage two contributions. On the climate concept and the way is was operationalized and measured, on the other hand, during the Seventies and Eighties a larger number of critical studies were published. Especially, authors were criticized for redundancy of the climate concept because of the lack of additional theoretical and practical value when compared to what was already known from the literature about job satisfaction (Guion, 1973; Johannesson, 1973), and for inadequate conceptualization (see, among others, Hellriegel & Slocum, 1974; James & Jones, 1982; Payne & Pugh, 1976). For instance, when Pugh and Payne (1976, 1126-1128) define organizational climate as describing the characteristic behavioral processes in a social system at one point in time, reflecting the members' values, attitudes, and beliefs, they only give a very general indication of what 'climate' might be about. Elsewhere in their study (1141), in the same vein climate is rather imprecisely described as

> "a molar concept reflecting the content and strength of the prevalent values, norms, attitudes, behaviors, and feelings of the members of a social system which can be operationally measured through the perceptions of system members or observational and other objective means".

To avoid empty conceptualizations, climate dimensions were constructed and identified, as in the model of Pritchard and Karasick outlined above. On their turn, Pugh and Payne distinguished four major dimensions of organizational climate: (1) individual autonomy, (2) degree of structure imposed on the position, (3) reward orientation, and (4) consideration, warmth, support, which show a considerate conceptual overlap with structure variables.
From the rebound, reconceptualizations were put forward (see, for instance, Glick, 1985, and Reichers & Schneider, 1990, 21, for more references), as if climate theory had to run through leeway activities. In terms of the developmental model, there was a renewed emphasis on stage one contributions, which often emphasize the interactional character of organizational climate with numerous variables[52].

Despite similarities, both climate and culture traditions were developing rather independently, witness the fact that in publications on organizational culture there is little attention for climate, as Reichers & Schneider (1990, 30) illustrate with some examples. The authors mention two causes of non-overlap in both traditions. In the first place, in scientific enterprise there might be a tendency of researchers to engage in concept differentiation, by focusing on differences and neglecting correspondences. It is better to score with new ideas. Apart from this, it is inherent to scientific activity to deal with concepts carefully and accurately, and this matches the reluctance to consider concepts as redundant in advance. In the second place, differences in background and tradition made literature about climate and culture mutually inaccessible, so to speak, because of different languages. Moreover, a misplaced sense of superiority in both traditions could have hampered cooperation[53].

- *Conceptual and methodological differences*

Apart from historical differences, Reichers and Schneider consider conceptual and methodological differences between the concepts of climate and culture. I recall the view of Schein who considered climate a more superficial matter of experience, and culture as an explaining mechanism. When climate comes down to culture, both traditions could eventually converge.

Reichers and Schneider are also convinced that the concepts of culture and climate are very much akin. The climate concept is about the shared perceptions by members of the organization about the way things are going, but perception presupposes a reality of that what is perceived, culture, as something an organization has. In this sense, climate research would penetrate not as deep in reality as culture research does, climate being a manifestation of culture and culture understood through the data of climate research. That is, from a conceptual perspective there could be considerable overlap and a serious suspicion of redundancy. The question remains, whether conceiving climate in terms of perceptions is a promising alley. As we have seen in the previous section, several objections can be made regarding the perceptual approach of climate. However, according to Reichers and Schneider (1990, 24-27) there are methodological arguments for non-overlap. Climate research is conducted with quantitative methods from, what anthropology calls an '*etic*-perspective'. To a set of quantitative a researchers add an interpretation in terms of their theoretical frame of reference. Researchers of organizational culture depart from an '*emic*-perspective' using qualitative data emerging from the population participating in the research (terms already discussed in chapter 2). Whether what has been examined is considered as 'culture' or 'climate' depends on the research methodology used. However, it is not clear why this should be so (but that it happened to be this way, is an empirical matter). There are no ontological, epistemological or methodological reasons why in culture research quantitative methods cannot be used - as is emphasized by, for instance, Xenikou & Furnham (1996), and practiced by, for instance, Hofstede (1980) and O'Reilly, Chatman & Caldwell (1991) -, nor why climate research cannot use qualitative methods, apart from reasons that have to do with the developmental differences described above. Complementary use of research methods is recommendable, based on the principle of *triangulation* discussed in chapter 2 (note 25) (see also, Rousseau, 1990; Siehl & Martin, 1988).

The complaint that organizational culture is hard to investigate because of the required level of profundity and the difficulties inherent to qualitative methods will lose much of its power. This complaint seems to be prompted by a preoccupation with stage one issues, especially conceptualization and setting up of testable hypotheses, rather than caused by methodological distress. Practical objections could rather be decisive, such as the reluctance of companies against culture-theoretical priers and the practical difficulties that are inherent to comparative research. Climate researchers did have a slight yet ever diminishing advance at this point, regarding their concern with enhancing the organization's effectiveness mentioned earlier. Another practical issue that would affect researchers of culture has to do with prejudices against qualitative research. Culture research is allegedly "soft" for being based on unreliable and invalid data and far-fetched, subjective interpretations, whereas climate research can set points with more solid, apparently validated "off the shelve questionnaires". In short, triangulation is advisory, assumed that researchers know what they want to investigate and for what reasons, and from what

perspective or paradigm to avoid inappropriate combinations.
What remains is the both intriguing and awkward question concerning the relationship between climate and culture: are they parallel concepts, or are they merely overlapping and therefore partly redundant concepts?

- *The climate – culture controversy: conclusions from the literature*

Much work has been done on the subject. Many authors have tried to elucidate the climate-culture controversy and it is tempting to compare and evaluate these efforts (in particular, of Ashforth, 1985; Askanasy, Wilderom & Peterson, 2000; Denison, 1996; Ekvall, 1983; 1987; 1989; Glick, 1985; Moran & Volkwein, 1992; Van Muijen, 1998; Ostroff, Kinicki & Tamkins, 2003; Payne, 2000; Pettigrew, 2000; Rentsch, 1990; Rousseau, 1988; Schein, 2000). However, when the obvious conclusion would be that climate and culture concepts converge into an overarching concept to be measured by a variety of research methods, this comparison would be a waste of energy. Nevertheless, when the idea is to preserve some distinction between these concepts, a comparison is useful still while determining their relation. The complicating beetles-and-bugs factor remains that at times the concept of culture is used to indicate "a something" in an organization that more resembles climate (as the twelve culture styles identified by Cooke and Lafferty), while the reverse also occurs. In short, when we compare climate and culture, it resembles an equation with two unknowns. Therefore, I start with a summary of considerations borrowed from the authors just mentioned in order to arrive at conclusions regarding the conceptualization of moral climate and arrange these considerations in a scheme. As much as possible, these considerations are arranged along the main lines of the present study, that is, in terms of conceptual, typological, empirical, evaluative, and interventional issues.

Climate and culture are both complementary and overlapping complex molar *concepts* referring to psychological meaningful enduring relatively stable suprapersonal features of organizations (or their formal and informal subsystems) that are "in the air" as an objective reality. These features consist of more or less shared cognitive maps (patterns of expectations and interpretations based on fundamental assumptions and normative beliefs) as well as their artifacts (policies, procedures, and practices) that can be perceived more or less accurately perceived and experienced by participants in and around the organization.
Differences between climate and culture researchers are not so much differences in the phenomena examined as in interpretations and approaches of these phenomena. Climate researchers would nomothetically and a-historically investigate the superficial meanings of these features (shared perceptions) arriving at thin, summary descriptions, whereas culture researchers would explore ideographically the historically emerging in-depth aspects that lie underneath that surface (shared values, assumptions, beliefs, and worldviews) as well as visible artifacts to arrive at thick descriptions with rich detail.
Climate researchers would incline to isolate selected variables (problem-driven and relevant to managerial control) from their context, whereas culture researchers would take a more holistic stance, using, for instance, social construction perspectives in which individuals are examined within their evolved context. From this perspective, climate research can be comparative and generalizing, whereas culture research has an ideographic nature while using an n=1 design to

arrive at unique findings with no intention to compare or to generalize. However, there is no specific reason for this division of tasks apart from historical and disciplinary peculiarities (social anthropology and social psychology, for culture and climate, respectively). Instead, since both focus on the internal social psychological environment as a multifaceted holistic social context (connected via structure and strategy to the multifaceted environment of the organization), joint efforts of culture and climate approaches may lead to better understanding of the complex, layered environment.

Of special attention are climate and culture formation, emergence, maintenance and (resistance to) change. Depending on the definition, climate and culture may differ with regard to enduring: climate is a relatively enduring characteristic of an organization, whereas culture is a highly enduring characteristic of an organization. Culture is evolving slowly; and in a sense, it is a record of a social unit's interpretation of its history and it therefore dependent on the existence of a known past of considerable duration. Climate evolves out of some of the same elements as culture, but is, in terms of organizational realities, shallower in that it both forms more quickly and alters more rapidly.

The impact of founders of the organizations is emphasized by many authors, as is the role of leaders and leadership style, and group dynamics and communication practices. Depending on the position implicitly or explicitly taken in the structure-action debate, either abstract processes are described or concrete interactions as determining events are considered as the driving forces. However, no matter the position, climate and culture are considered as being both the *product* of individual interaction and a powerful *influence* on individual interaction.

Typologies can be made from both a climate and a culture perspective, according to the type of feature that is considered relevant (for instance, concerning organizational morality). In this sense, culture and climate theories may tell us more about the researchers and their preoccupations than about the organizations examined. Furthermore, it can be concluded that many culture typologies could just as well be pass for climate typologies when values appear to be climate dimension are depart from very narrow concepts (as the very thin descriptions show, that emerge from the typologies of Harrison and Handy and of Deal and Kennedy). Again, from an integrative perspective, typologies that are more comprehensive can be constructed to cover that "something" in the organization.

From a methodological and *empirical* point of view, quantitative (questionnaires and structured interviews) and qualitative methods (participant observation, in-depth interviews and analysis of artifacts) can be combined up to the point of triangulation, if legitimate (see chapter 2, note 25).

A serious issue concerns functionality of both climate and culture as the one-sided criterion of *evaluation*. Strategies, structures, and cultures are far from neutral, functional constructs connectable to some system need such as efficiency or adaptability, but can also be viewed as serving the interests of dominant groups. The pragmatic-adequacy criterion itself is far from clear, and neglects other criteria (ethical and political) for evaluation climate and culture, an issue to be addressed below and in chapter 4.

Finally, theories of climate and culture offer a variety of methods for *intervention*, though not motivated from a specific theory of culture and climate change.

These issues can be arranged into a comprehensive scheme (see below), in which culture and climate are compared, convergences indicated, and issues for a research agenda identified. Some of these issues will be discussed separately in the next subsections, insofar as they bear relevance to moral climate theory. Because of similarities between climate and culture concepts, some issues can be discussed for both climate and culture: the climate and culture strength issue and the possibility of subclimates and subcultures (3.4.2), the climate and culture dynamics issue and the use of structuration theory to elucidate the person-situation relation (3.4.3.), the climate and culture evaluation (3.4.4), and the climate and culture intervention issue (3.4.5)[54].

3.4.2 Climate/culture strength and subs

Pettigrew (1990, 420) raises the interesting question as to why some organizations have a strong and uniform corporate culture, while others appear more like a fragmented set of tribes. Apparently, there is the possibility of subcultures (and of course subclimates). Based on the alleged similarities between climate and culture, the issue of climate and culture strength and the possibility of subclimates and subcultures can be addressed in one take.
We will first consider the three perspectives Martin (1992) has identified on climate strength. Second, we will discuss how the issue of climate strength has a distinct meaning in the attribute approach when compared to the perceptions approach. Third, we will discuss the issue of climate/culture strength and organizational effectiveness and propose solutions for this issue.

- *Three perspectives on climate strength*

An early approach of the subject was the description given by Martin (1992) of three perspectives in culture research: the *integration* perspective, the *differentiation* perspective, and the *fragmentation* perspective.

1. The *integration* perspective on culture means that people share a common set of values and norms (cultivated through stories and myths) that are clearly expressed to (for instance, through mission statements, company logos and ceremonies) and understood by the vast majority of people identifying themselves with the culture. This perspective is widely held in theories of organizational culture because of the idea that "strong cultures" lead to better organizational performance and effectiveness. Since culture research from the integration perspective is usually carried out through examining reports and claims of senior managers who are held to understand the culture and the way other employees are involved in research is quite problematic, the evidence that strong cultures are common is unsound, as is the claim that a string culture necessarily leads to greater effectiveness. As Martin puts it, integration studies offer managers and researchers a seductive promise of harmony and value homogeneity that is empirically unmerited and unlikely to be fulfilled.

Areas in climate and culture theory	Divergences		Convergences of climate and culture and a research agenda
	Culture	Climate	
definition of the phenomenon	catch all normative concept of social context with rich detail (thick descriptions)	unspecified summary description of social context, unless specified in climates-for (thin descriptions)	both focus on the internal social psychological environment as a holistic social context specification of conceptual relationship of culture and climate as related molar concepts
integration/differentiation	shared assumptions and artifacts	shared (perceptions of) conditions	climate/culture strength – subclimates/subcultures
level of analysis	artifacts, meanings, beliefs, values, world views and assumptions	surface-level manifestations/ sensing and perceiving	specification of conceptual relationship of multiple dimensions and layers of analysis
point of view	emic (native point of view via researcher)	etic (researcher's viewpoint via natives')	prevent "parochial outlook" and "paradigm wars" by combining emic and etic perspectives in dialogue
temporal orientation	historical evolution	a-historical snapshot	examine the possibility of longitudinal studies
theoretical origin	sociology and anthropology	social psychology	combining both bodies of knowledge
epistemology	inductive, interpretive, contextualist, ideographic	deductive, positivistic, nomothetic, comparative	combining approaches
methodology	qualitative field observation, in-depth interviews, and analyzing artifacts	quantitative survey data (questionnaires and structured interviews)	emergence of quantitative culture studies and qualitative climate studies. triangulation through combining methods
formation and dynamics	construction, leadership and socialization, social interaction	construction and socialization, social interaction	shared dilemma: context is created by interaction, but context determines interaction; resistant to change
evaluation	functionalist (sometimes emancipatory)	functionalist	broadening the scope from functionalist to interpretative – emancipatory perspectives
intervention	structuralist or constructivist; variety of intervention methods	structuralist or constructivist; few intervention methods	integration of structuralism and constructivism construction of intervention methods aiming at both culture and climate change in line with other parameters

2. The heart of the *differentiation* perspective is the unlikelihood of all members of a large, complex organization agreeing about its aims and methods. The idea is that organizations contain people coming from different social and ethnic backgrounds and who perform different roles varying in the power and authority that they carry and the rewards and obligations deriving from them (as in Mintzberg's division of organizations into five parts: strategic apex, middle line, operating core, techno structure, and support structure). As a consequence, people fulfilling these different roles may and will have different interests and different motives, as well the obligation to cooperate. Hence, there are degrees of differentiation, and the subgroups with their subcultures need to learn to cooperate with each other and resolve the conflicts that inevitably flow from their differences in ownership and involvement. Furthermore, from a contingency perspective, pressures from the wider environment make an organizational culture distinctive from other organizations' culture in the way it manages the nexus of forces and the environment it is engaged in. The assumption that there is consensus within subcultures remains powerful while suffering from the same weakness as the integration perspective does.
3. The *fragmentation* perspective takes differentiation to an extreme. Since contemporary cultures are so riddled with ambiguity in terms of continuously shifting aims, values, norms, and beliefs, they inevitably fragment into ever-changing subgroups. If present, consensus is issue-specific and transient. The idea is rejected that relationships among people can achieve any lasting consistency. Power relationships may alter to respond to current changes in the environment triggering the need for people to respond in order to protect their own self-interests.

Martin suggests a form of integration by proposing that organizational culture researchers should consider all three perspectives to gain a more comprehensive understanding of the whole picture of organizational culture. Some measure of integration, differentiation, and fragmentation will be present in all organizations at any one point in time. As Payne (2000, 164-166) puts it, it is a matter of how much of each there is, where in the organization it is occurring, and why.

- *Strength in the perceptions approach compared to strength in the attribute approach*

Martin's considerations concern culture, but how about climate? The idea that climates and cultures can be integrated, differentiated, or even fragmented, en hence differ in the degree of strength, has different elaborations in the *perceptual* and in the *attribute* approach of organizational climate. The notion of "strong" means that a climate is homogeneous, agreed upon, unequivocal, pervasive, dispersed, solid, stable, intense, and hence, difficult to change, whereas the notion of "weak" means that a climate is heterogeneous, ambivalent, capricious, and hence, prone to change (in both desirable and undesirable directions)[55].

I. In the perceptual approach of climate (climate being defined as a descriptive summary perception of the organization's work environment, Joyce & Slocum, 1984, 721), climate strength can be operationalized in terms of within-group variability in climate perceptions. In order to determine climate strength in the perceptual approach, a composition model is needed. A composition model is the specification of how a construct operationalized at one level of analysis

is related to another form of that constructs at a different (James, 1982, 220). Chan (1998, 236) arranged the several composition models into a comprehensive typology consisting of five types described in terms of functional relationships and typical operational combinations:
(a) The *additive* model, in which group constructs are a summation of lower level variables; higher-level unit is a summation of the lower level units regardless of the variance among these units. The typical operational combination is summing up or averaging lower level scores (using the mean as measure).
b) The *direct consensus* model, in which the meaning of the group-level construct is the consensus among the lower level variables; the typical operational combination is within-group agreement to index consensus and justify aggregation.
(c) The *referent shift consensus* model, in which lower level variables formed by consensus are conceptually distinct, though derived from the original lower level variables. The typical operational combination is within-group agreement of new referent lower level units to index consensus and justify aggregation.
(d) The *dispersion* model, in which the meaning of the higher-level construct is the dispersion of variance of the lower level variables. The typical operational combination is within-group variance (or its derivative) as operationalization of the higher-level construct.
(e) The *process* model, in which process parameters at higher levels are analogous to the lower level process parameters. There is no simple algorithm serving as the typical operational combination.

The direct consensus model is probably the most familiar and popular form of composition among multilevel researchers, because shared perceptual agreement at the individual level of analysis has been seen as functionally isomorphic to the construct at the organizational level of analysis (Chan, 1998, p. 237). According to Schneider, Salvaggio & Subirats (2002, 221), organizational climate is the average or most typical way that people in the organization describe it, and within-group agreement in this model serves as a prerequisite for the group-level variable. The absence of shared perception, or high within-group variability, implies that a group-level construct does not exist; in other words, the group has no shared meaning. In research on climate, the tradition has been to calculate one or more of several different indicators of within-group agreement. When it is demonstrated that the average within-group agreement across units is sufficient or that there exists a significant main effect across units, it can be concluded that direct consensus (agreement) exists, legitimating aggregation and the study of climate at the unit level. However, without a criterion for agreement, consensus cannot be determined. As Payne (2000, 172) puts it, is a two-thirds measure of the people agreeing upon a statement consensus enough, or is 90 % a more appropriate measure?
Also popular is the dispersion model treating within-group variability, or the degree of shared perception as a focal construct. Within-group dispersion simply is the result of individual differences within the group (Chan, 1998, 239). For instance, person–organization fit theories often use profile similarity indices to index the degree of congruence or fit (the flip side of difference or variance) between an individual's values and an organization's values (Schneider, Salvaggio & Subirats (2002, 221).

The referent-shift consensus model is a model could be used in those types of moral climate research in which individual climate perception is the focal construct. According to Chan, 1998, 238), referent-shift consensus composition is similar to direct consensus composition in that within-group consensus, as indexed by agreement of lower level attributes, is used to compose the lower level construct to the higher level construct. To Chan, the critical difference between the two forms of composition is that in referent-shift consensus composition, the lower level attributes (individual climate perceptions) being assessed for consensus are conceptually distinct though derived from the original individual-level construct. This means a shift in the referent prior to consensus assessment. The new referent is actually being combined to represent the higher-level construct (moral climate). In the case of referent-shift consensus, the composition proceeds as follows. The researcher begins with a conceptual definition and operationalization of the focal construct at the lower level (individual climate perception). While maintaining the basic content of the construct, the researcher then derives a new form of the construct at the same level by shifting the referent of the basic content. Now, the referent for the conceptual definition and operationalization is changed. The new form of the construct then is aggregated to the higher-level construct based on within-group consensus (moral climate). Rather than an individual' s own climate perceptions or the aggregation of individuals' perceptions , the researcher now is interested in how an individual believes others in the organization perceive the climate and whether there is within-organization consensus in such beliefs (Chan, 1998, 238)

As we will see in chapter 5, in moral climate research, many authors embrace a perceptions approach to moral climate (notable Victor and Cullen and their many followers) and use an additive or a direct consensus model for arriving at justified conclusions regarding an organization's moral climate. Does this mean that perceptual agreement as a measure for climate strength is without hazard? More in particular, do means imply perceptual agreement? From a statistical point of view, means are not informative, unless a measure of variance is included. Therefore, many studies of climate have used indices based on analysis of variance (ANOVA) components to assess the level of group consensus (Lindell & Brandt, 2000, 333). Of course, dissensus does not imply that climate does not exist. More probably, levels of analysis issues are involved, as Lindell and Brandt (2000, 335) suggest. In their terms: suppose, that two subgroups of equal size have made ratings on a 1-5 scale and one group's ratings are all 1 whereas the other's ratings are all 5. For this organization, the agreement measure taken, in this case the r_{wg}= -1.0, but there is perfect agreement within groups, even though the two groups differ maximally from each other. The r_{wg} index (James, Demaree & Wolf, 1984; 1993) has correctly indicated that there is not a climate, but this is because there are two subclimates. Rather than discard this organization from further analysis because the r_{wg} is negative, the researcher should search for the basis of the differences between the two subgroups. Is it based on different departments, organizational levels, or other structural characteristics, or is it based on personal characteristics such as experience, ability, or personality? As James (1982, 228) puts it, aggregation bias in estimates of agreement might lead one to believe that the organization is an appropriate level for aggregation of climate perceptions when in fact environments that are more homogeneous in regard to positions and individuals (for instance, departments, workgroups, or teams are the more

appropriate levels for aggregation. More in particular, taking a simple additive model ignores issues of both construct validity and measurement reliability while assuming an analogy of dimensionality (climate dimensions) and patterns of relationship (validity) and random error and contextual factors concerning perceptual agreement (reliability) (Glick, 1980; 1985, 604-605). The many possible dimensions of climate make it also difficult to arrive at unbiased climate measures and may be a strong reason to consider differentiating climates in terms of climates for something (for instance, ethics, safety, trust, learning, creativity, support).
Lack of agreement can be due to methodological circumstances, but also be caused by choosing an inappropriate level of analysis when related to the level of theory (Klein, Dansereau & Hall, 195). This last cause may be taken as a plea for introducing the concept of (moral) subclimates and subcultures (Powell & Butterfield, 1978; Van Maanen & Barley, 1984; Gregory, 1983, Louis, 1985). As Power and Butterfield (1978, 153) put it, an organization is considered to have formal or informal subsystem climates whenever at least one group (subsystem) of employees has different perceptions of the organization's climate than those of employees outside that subsystem. The perceived climate is more a property of the separate subsystems than of the organization as a whole. Therefore, the unique climate perceptions held by each subsystem may be defined as its subsystem climate. The implication is that on the level of a work group, moral climate can be strong, because it is homogenous while leading to uniformity in perceiving, thinking, and acting, whereas at the organizational level, moral climate can be weak because of internal differentiations (that may be weak either, or strong, each in its own way).

II. Are these compositions models from Chan's typology also useful in an attribute approach to climate? If not, what are the alternatives? Clearly, in an organizational attribute approach, perceptions of individuals do not matter so much and neither does agreement among respondents. They may be unskilled biased observers not knowing what to look for, and blur description and evaluation. Participant observation, document analysis, and in-depth interviews, in sum, a qualitative approach instead of collecting data through surveys is a more promising alley. In an objective attribute approach, climate strength plays also an important role. However, it is not the degree of agreement among respondents that needs proper description and explanation. In an attributes approach to climate, there are other measures for determining climate strength: direction, pervasiveness, dispersion, and intensity (Kilmann, Saxton & Serpa, 1986, 88-89; Louis, 1985, Ostroff, Kinick & Tamkins, 2003, 583-584; Payne, 2000, 166-167, Rousseau, 1988, 150; Saffold, 198, 551-553) who use these terms in slightly different meanings.

- **Direction** of impact concerns the contents or substance (for instance, values, behavioral norms and guidelines, preferred modes of thinking) of climate/culture: the more univocal, the stronger a climate/culture is, the more diverse, the weaker. In moral climate terms: a moral climate profile, in which a certain type of moral reasoning is dominant, is stronger than a moral climate profile in which several types of moral reasoning concur.
- **Pervasiveness** refers to the range of beliefs, behaviors and artifacts that the organizational climate/culture attempts to define and control, ranging from narrow in some organizations to rather wide in other organizations. Culture and culture affect or even determine what one should think, what one should do, when one should do it, how one should do it, how one

dresses, how one addresses others, what is right, what is wrong, and what punishments and rewards are associated with obeying and betraying. In moral climate terms: the more objects of judgment are covered by a certain type of moral reasoning, the more pervasive the moral climate is, and hence, the stronger it is.

- **Visibleness** (or 'artifactual penetration') occurs when intangible elements of climate and culture become embodied in visible cultural artifacts.
- **Dispersion** is the degree to which the culture/or climate is widespread or shared, among all the members of the unit of analysis. Dispersion can also be described in terms of 'sociological penetration', the degree to which cultural features are shared across different groups in the organization. Is the culture or climate supported by all members, or is the culture and climate not shared by all (possible because of a not univocal direction? In moral climate terms: the more people have accepted a certain type of moral reasoning, the more dispersed that type of moral reasoning is, and the stronger the moral climate.
- **Intensity** (or 'psychological penetration') is the degree of impact a climate or culture has on members in the organization, regardless of the direction, the pervasiveness, or the dispersion. Do members feel compelled to comply with the dictates, or are the contents (such as values, assumptions, or behaviors) of culture/climate internalized deeply at free will on the one hand, or do members feel that the climate/or culture only mildly suggests that they perceive, think, speak, or behave in certain ways, on the other hand? In moral climate terms: the more deep-seated a certain type of moral reasoning is, the stronger the climate.

Please note that the first three criteria for strength concern contents, and the second two criteria concern people. One might claim that the dispersion criterion seems to be brought in from the perceptions approach, referring to degree of consensus, and hence may be redundant. However, since moral climate is on collective cognitive schemes, these schemes can be less or more widespread and people can agree upon their degree of dispersion. Schemes can be widespread, and yet not be intense, or not be widespread, and yet be intense (at least, for some people).

It can be spelled out now that determining the strength of moral climate depends on five related parameters that theoretically allow for a large number of possible configurations. A highly coherent or integrated climate or culture – unidirectional, pervasive, visible, dispersed, and intense – would be one in which the direction is clear and univocal, about a pervasive range of issues, accepted by all members, and internalized deeply (Martin's integration perspective). Put in moral climate terms, the possibility exists of a pure (moral) climate profile in which one (moral) climate type is present at the expense of all other types, that is, not mixed with elements of other climate types and strong, not easy to change, pervasive, visible, dispersed, and internalized. When this moral climate profile matches the structure, the culture, and the strategy of the organization, the moral climate configuration can be termed *consistent*. When its fits the environment, it is also contingent. To label this type of situation of perfect fit, the term *alignment-based strength can* be used (Ostroff, Kinicki & Tamkins, 2003, 583).

However, the possibility exists also that a (moral) climate profile is less delineated while consisting of two or more moral climate types, that concern only a limited number of issues, visible, dispersed and internalized (or not), to varying degrees (Martin's differentiation and fragmentation perspective). At this point, some mean and some variance could be computed and

let statistics do their job. However, what could be the meaning of a moral climate profile with an average of 3.2 or 2.7 when 3.2 or 2.7 do not refer to a specific style of moral argumentation? Simply selecting the median would not help us any further because the median ignores the frequency of other score. As in the OCAI research instrument of Cameron and Quinn, one could ask respondents (or informants) to distribute 100 points over a fixed number of moral climate types, and again let statistics do their job. One could even simply conclude at one (moral) climate type being dominant over others within a certain moral climate profile and select the mode.

- *Culture/climate strength, effectiveness, and subclimates/subcultures*

Since climate and culture are mostly considered from a functionalist perspective, a strong culture is highly associated with boosting performance and outcomes: the stronger the culture, the better. Though functional notions and their weaknesses are discussed in detail in a next subsection (3.4.4), some thoughts about the relationship between strength and performance need to be displayed here.

Though the strong culture/climate hypotheses (Saffold, 1988, 546-549) may be intuitively appealing, the idea of an enforced unitary culture or climate (most of the time, some impoverished least common denominator) throughout an entire organization should be contested. The empirical confirmation is scarce, shared meanings may imply shared delusions, while masking disjunctive culture or climate differences between both formal and informal subsystems. Put otherwise, in many organizations, a variety of subclimates and subcultures exist, and even so the better, when subclimates and subcultures are connected with different tasks and assignments of people in their departments and working unit. It may be the case, as Saffold (1988, 549) points out, that a particular trait or feature may not affect all performance-related organizational processes in the same direction. A brief example illustrates this point. In a Dutch municipality, the city manager had decided that all municipal officials should have an entrepreneurial mentality and according skills. Fortunately, this idea was shot down by the HRM department, arguing that the development of entrepreneurial attitudes and skills would be excellent for the municipal purchasing department, however detrimental to other departments, because of distinct tasks and assignments. In theoretical terms, the city manager has fallen victim to the fallacy of the wrong level (Glick, 1985).

Dansereau and Aluto (1990, 214) distinguish four levels of analysis (including the person, the dyad, the group, and the collective), of which the group level corresponds with a department, unit or division, and the collective level with the entire organization. Apart from these levels, these authors (1990, 197-200) distinguish between the whole view and the parts view. The wholes view implies that, given a certain level of analysis, the focus is on differences between the units of analysis. The focus is on similarities within departments and differences between departments. When there are no significant differences between the departments one cannot speak of departmental subcultures or subclimates. The parts view focuses on similarities between units of analysis. A group, for instance, an organization or a department, is viewed as a differentiated (heterogeneous) unit of analysis where each group shows a similar (common) differentiation. The parts perspective emphasizes the universal validity of a given principle within a population, whereas the whole perspective emphasizes the uniqueness of a certain unit.

Whether a (sub)culture or (sub)climate is either weak or strong depends on the view adopted. From a wholes view, the presence of subclimates/subcultures will make the climate/culture of the entire organization weak, whereas the absence of subclimates/subcultures makes the climate and culture of the entire organization strong. However, does this imply effectiveness of the whole? Apparently not, when it is recognized that parts have their own rationale, depending on tasks and assignments as formal or informal subsystems. Therefore, strength should be determined at the appropriate level of analysis. In moral climate terms, from a multilevel approach, (moral) climate profiles can be attached to specific levels and units of analysis, while concluding that department A shows a moral climate type X, department B moral climate type Y, unit C moral climate type Z, informal subsystem D moral climate type P and informal subsystem D moral climate type E[56]. On the group level (either formal or informal), a moral climate can be strong in terms of the parameters outlined above, whereas on the collective level, the moral climate can be weak, for being differentiated or even fragmented.

Finally, the strength of a (moral) climate can be determined by reconsidering the direction and the pervasiveness of its contents, that is, by investigating the causes of diversity while combining style of moral argumentation and its object. By sorting out which issue gives rise to which style of moral reasoning, the heterogeneity within a moral climate profile can be described an explained (as the vignette in chapter 6 amply shows). Just as individuals may differ in terms of moral performance according to the contents of decisions to be made, in organizations moral climate profiles may show some diversity when including the objects of decision-making (this theme returns in chapter 4 when Kohlberg's of cognitive moral development is discussed in detail).

Summing up, a perceptual and the attribute approach to climate each have problems in determining climate strength. In the perceptual approach, composing models do their work, while in the attribute approach, several possibilities exist, more in particular considering dominance patterns and examining diversity while connecting it to issues of moral decision-making.

3.4.2 Climate and culture dynamics and structuration theory

A second issue to be addressed for culture and climate theory jointly, concerns the emergence and dynamics of climate and the way the relation between person and situation can be conceptualized. In this section, we will particularly focus on the role structuration can play in understanding climate and culture dynamics.

In both climate and culture literature many external and internal forces are mentioned concerning the dynamics of formation, preservation, and change of climate and culture. In line with Schein's conception of external adaptation and internal integration, climate and culture develop out of an organization's experience with the external environment (external adaptation) and from the need to maintain effective working relationships among organization members. Many authors emphasize the role of the founders of the organization with their entrepreneurial personalities, values, and a clear vision of what the organization should look like, how it should operate, and where it is going. In this vein, founders can have a strong impact on the mission and the vision of

the organization, and therefore on the strategy, structure, culture and climate of the organization, as well its policies concerning employees. As Schein (2000, xxv) suggests, when we have access to historical data we should use it. When we analyze organizational cultures, we should reconstruct their histories, find out about their founders and early leaders, look for the critical defining events in their evolution as organizations, and be confident that when we have done this we can indeed describe sets of shared assumptions that derive from common experiences of success and shared traumas. Internal shapers of climate and culture include, apart from such factors as founders, age, size, and technical structure, social structure (including hierarchy, authority system, configuration of positions and functions) within the organization, procedures for recruitment and selection, leadership, and decision-making style. Externally, economic, legislative, social, technological, and social circumstances and developments in society at large and industry and business environments in particular constitute forces affecting the organization by placing constraints upon its activities, or motivating or directing the way the organization chooses and conducts its tasks and assignments. On their turn, climate and culture condition the organizational response to these conditions. Therefore, climate and culture are both an output and an input variable, both a consequence and a cause (without clear causal relations), and as such, resistant to change, both in a transitive and an intransitive way (Furnham & Gunter, 1993, 235). Climate and culture are also mediating variables accounting for performance, satisfaction, commitment, and helping behavior on the positive side, and stress, accidents, absenteeism, and turnover on the negative side.

According to Schein (1990), climate and culture dynamics concern two main factors:

(1) Norm development around crises and critical incidents, particularly when mistakes have occurred. These incidents can be powerful learning experiments with long-lasting effects.
(2) Identification with leaders and with what they pay attention to, measure, and control when dealing with critical incidents and organizational crises. Leaders are role models, and interpretive filters while applying criteria for recruitment and selection, promotion, allocation of rewards and status, and for retirement and expulsion.

In contrast with the structural perspective claiming that culture and climate primarily arise out of structural properties of the organization, according to the interpretative approach, people make the place as climate and culture as shared interpretations, and cognitive schemes develop through sense making of people when dealing with their environment.

As we have seen in previous sections, both the perceptions and the attribute approach of climate and culture are static approaches, in which the climate of culture is determined as such or so. Of course, dynamical factors are identified that shape, maintain, or change climate and culture, but climate and culture are not considered from an interactional and intersubjective approach. This approach promises to conquer the ambiguities and problems of other conceptions and to present a concept of climate true to both lay and scientific ideas because it considers culture and climate as dynamic processes instead of static phenomena. An important dynamic factor explaining climate and culture strength is socialization through attraction, selection, and attrition processes (as in the SAA theory of Schneider & Reichers, 1983). Similar types of individuals are attracted to the same sort of organizational setting, are selected by similar types of organizational settings, are

socialized in similar ways, are exposed to similar features within the organizational setting, and share, reinforce, and evolve their meanings and interpretations of the setting with others in and through everyday communication about (series of ongoing) events between people working together. People who do not manage to share meanings and interpretation will leave the organization. Sense making through perceiving, thinking, and communicating occurs at both the conscious and the unconscious levels. It can be both retrospective and prospective in nature (reinterpreting the past and making plans for the future), with leaders as meaning managers and climate and culture engineers and group dynamics as decisive factors in climate and culture formation, preservation, and change. In sum, in the interactional perspective, organizational climate and culture are created by a group of interacting individuals who share a common, abstract frame of reference as they come to terms with situational contingencies, for instance, the demands imposed by organizational conditions (Moran & Volkwein, 1992, 34-35; Ostroff, Kinicki & Tamkins, 2003, 581; Schein, 2000, xxv; Trice & Beyer, 1993, 81). These means that people within the same interaction group will attach similar meanings to organizational events. However, because of these processes, different interaction groups will attach different meanings to the same organizational events. In either case the question remains, whether interaction does lead to similar interpretations of organizational events, or people do interact because they interpret the world similarly (Rentsch, 1990, 657, 677).

As is defended below at several places, structuration theory offers a promising account to capture the dynamics of climate and culture. Structuration theory is a general theory that can be applied to any emergent or developmental phenomenon in social systems while focusing on understanding the structuring process, or the explicit and implicit rules and resources members of a social system use to generate and sustain the system and that serves as a guide. It should be remembered that in chapter 2 one of the foundational issues in social sciences concerns human nature. We talk of voluntarism and determinism, elaborated in action theory and systems theory, respectively. The idea is that both theories are not defendable in their extreme forms and can be brought together in structuration theory, a theory that recognizes both structural determination and human freedom to set its own course of action. Point of departure is the quote of Geertz (1973, 5) that man is animal suspended in webs of significance he himself has spun.

Poole and McPhee (1983) draw on Giddens's concept of generative rules and resources as the basis of the social reproduction process to define climate and culture as a critical link in the individual – organization tension. As we have see, this asks for moving beyond the individual-organization dichotomy to the intersubjective level of analysis while defining climate and culture as an 'intersubjective construct', linking or bridging members' perspectives together, depicting them as an organization-wide or department-wide force, requiring an interpretive perspective to understand it. In line with Poole and McPhee, it is proposed to reconceptualize culture/climate on in the intersubjective level as an organizational construct constituted by the supraindividual linkage of members' perspectives, notably their beliefs, attitudes, values, and interpretations. This theoretical approach intermediating between objective and subjective variables helps us to get an account of how individual experiences are linked into a supraindividual climate/culture that has

the same force as objective variables while allowing us to resolve the problem that objective and consensual indexes are at best only indirect indicators of intersubjective climates.
An emphasis on interaction is a sine qua non: since experiences of an objective environment are mediated by communication between members of the organization, this approach also explains climate/culture differences across units and even subunit, since people on different hierarchical levels of organization differ in their perception of climate. Therefore, intersubjective analysis must focus on the interaction processes that generate intersubjective climates/cultures, explain where the intersubjective construct differences among members in the interaction system, allow for different degrees of intersubjectivity in different systems, and both be able to encompass rules and meaning and recognize that interaction systems cannot be reduced to rules or considerations of meaning. Other features of organizational practices (power, background knowledge, task requirements) must be incorporated into the explanation that grounds climate and culture (Poole & McPhee, 1983, 209).
In this perspective, the theory of structuration of Giddens offers an analysis of intersubjective constructs that meets these criteria. It locates the lynchpin of macro-level organizational phenomena and micro-level member behavior in the organization's interaction system and processes of discourse and domination and therefore is ideally suited for the study of (moral) climate and culture. It aims to trace the processes by which organizations are created and maintained in interaction while they simultaneously shape and channel that interaction.
Structuration theory is based on a distinction between structure and system. Structures are the rules and resources people use in interaction. Systems are the observable results of the application of structures, "regularized relations of interdependences between individuals and groups", while structuration refers to the production and reproduction of social systems via the application of generative rules and resources in interaction. Rules and resources are both the medium and outcome of interaction. Following Poole and McPhee (1983, 210-211), structuration is an exceedingly complex and intersubjective process because of two circumstances:
(1) Because they exist only in interaction, structures cannot be reduced to individual cognitions. Structures are properties of social practices and as such are transpersonal. Individual recollections of social practices are important sources of information about structures, but they represent only a limited, static, after-the-fact perspective, and hence must be supplemented by direct study of the social system.
(2) Though structures are intersubjective, they need not be shared equally by all members of the organization. Structuration theory assumes differential distributions of rules and resources across actors. One of the key factors of interaction systems is that actors have varying levels of knowledge, skills, and resources (including moral competence and moral performance, HB). They acquire these features through direct experience with the interaction system and through the result of structures in the interaction system and the larger society that permit or deny access to education, other learning experiences, and knowledgeable or powerful allies. Once an individual has the requisite knowledge, skills, and resources, s/he can often channel the interaction system to conserve and increase control over it, sometimes denying others access to the same knowledge or facilities. Interaction is a skilled accomplishment of actors with varying degrees of penetration into the structures being produced and reproduced by their conduct.

Products of mind, emerged through interaction, constitute the raw materials for the interpretation of the ordered system of meaning in terms of which on its turn social interaction takes place. The structures actors use vary in their degree of stability. In one sense, they have a built-in self-preserving bias. Because preexisting structures are salient to organizational members, they tend to be drawn upon and thereby reproduced. However, there are also situations where the rules of the game and the balance of power are constantly shifting. The stability of a social system is largely determined by internal relations among the various layers of structure, including:

- system patterns: the observable relationships and regularities constituting the social system for a particular practice;
- practical structures: the rules and resources directly governing interaction in the social system (for instance, administrative procedures);
- background structures: rules and resources giving meaning to the practice and provide grounds for interaction, roughly corresponding to taken-for-granted 'common meanings' (for instance, rules regulating interaction);
- collective attitudes: members' generalized conceptions about the social system, characterizing the tone of the system, its general directions, what is important in it, its values and goals; unlike systems, practical and background structures, which are attached to specific practices and collective attitudes, are generalized across a wide range of practices in the organization or work unit.

An important characteristic of structure in organization is the degree of coordination about practical structures, background structures, and collective attitudes, because this determines how they are produced and reproduced and how the levels relate to one another. The type of relationships among the four levels determines the character of the organization. Organizations are structured to the extent that there is definite pattern of influence among levels, the most common of which is where one level dominates the structuration of the others. As an example Poole and McPhee (1983, 212) mention the inefficient, fossilized bureaucracy in which practical structures dominate. Obedience of formal rules dominates behavior, background structures are organized by the need to interpret rules, and the climate centers on slow and deliberate activity with excessive concentration on detail and letter of the law.

A structurational conception of (moral) climate and culture meets these criteria, when culture and climate are considered as a collective attitude (a language set of statements about the organization), that is continually produced and reproduced by members' interaction. According to Poole and McPhee, climate and climate are by nature not a continuous variable but a discrete state and must be classified as a generic type. However, structuration theory differs from type theories in several respects. In the structural perspective, a climate/culture is a simple list of expectations or beliefs. It includes the mode of production and reproduction of generalized expectations or beliefs. Climate and cultures are constituted by ensembles of expectations and beliefs organized around issues organizational members concern about. Though Poole and McPhee do not mention moral climates, their remarks apply also to moral climates. Each moral climate (type) contains a concept of morality (including beliefs, attitudes, and values) that both open and limits ethical discussion (as will be discussed in more detail in chapter 4 of the present

study).

Structuration theory helps to discover how climate/culture is created and maintained, and how it influences organizational life. Although a number of forces may be influential, two particularly critical parameters are (1) the degree of co-orientation (consensus, pluralistic ignorance, dissensus) and (2) whether there is influence between climate/culture and other structural levels (that is, whether the organization is structured or unstructured). Co-orientation is an important factor because different degrees of co-orientation imply different interaction processes. Structural influence is critical because it determines the role climate/culture plays in the organization and therefore the manner of its reproduction. According to Poole and McPhee (1983, 214-215) a structured organization shows a close relation of climate/culture to the interaction system, practical structures, and background structures, and is therefore connected to events in the organization. In unstructured organizations, climate/culture is uncoupled from other structures. These organizations show few consistency among parameters and can be labeled as lacking *alignment-based strength*.

Its (re)production occurs independently with only sporadic effects on the organization's operation.

		Degree of co-orientation		
Degree of influence between levels		consensus	pluralistic ignorance	dissensus
	structured	I	II	III
	unstructured	IV	V	VI

The same ensemble of beliefs and expectations can be constituted by quite different interaction systems in the six cells. As Poole & McPhee (1983, 214) explain, in cell I a unit with an achievement-oriented climate/culture would enjoy consensus and structural connection, and this would be reflected in the unit's system patterns and practical structures. In cell II, we might find a situation in which members believe that the organization and their coworkers value achievement and they work for it, but in their hearts, they do not value it. This pluralistic ignorance fosters cynicism in workers; they learn to act busy and competent while actually worrying more about political maneuvering than about productivity. In cell III, we might find open disagreement about the value of achievement; achievement is a still a concern of the unit, but factions with discrepant attitudes arise and there is an implicit or explicit struggle over whether achievement should guide the unit's actions. In cell IV, there is consensus, but an unstructured situation, implying that climate/culture has little effect on other structural levels with members subscribing to an ideal of achievement that is never acted upon (lack of intension). Rhetoric of achievement, unconnected to organizational practices is developed and it is only related to behavior when it serves some member's purpose. The relation of achievement rhetoric to background structures is also tenuous. The meaning of achievement is never specified in any detail and is twisted to fit the situation. In this way, differences in their production and reproduction can create different climates/cultures around the same basic issues. According to Poole and McPhee, these differences cannot be reduced to different beliefs and attitudes about the issue, since they stem from different styles of structuration and can only be understood as such.

In the structurational view, climate/culture is both a medium and an outcome of interaction. Within structured organizations, climate/culture serves as a general medium for generating or projecting specific structures where none exists and for understanding or interpreting specific events in the organization or unit. Climate/culture is an outcome of day-to-day practices in structured organizations where members' experiences generalize to reinforce or challenge the prevailing climate/culture, whereas in unstructured organizations, climate/culture is the outcome of specific rhetorical processes designed to reproduce and maintain it.

This explains differential perception of the same events, as well as the possibility of subclimates/subcultures. For instance, an authoritarian climate/culture that is both consensual and structured implies different degrees of power, rights, and rewards for members high and low in the organizational hierarchy. Therefore, different members may have very different impressions of the organization, which are nonetheless caused by a common climate/culture (exactly these circumstances explain the low coefficients of interrater reliability found in many studies). The close association between climate and work interaction can also explain both between-unit differences in climate and the difficulty in generalizing climate measures beyond the types of units for which they are developed. Interaction systems in different units should structurate different climates/cultures and therefore lead to observed differences in ratings across units.

The structurational perspective implies a three-step procedure for climate research, based on principles of triangulation (outlined in chapter 2, note 25, see also, Sieber, 1973):

(1) Quantitative techniques can be used to address the basic parameters of climates/cultures: the issues of concern, the degree of co-orientation, and the stability of interaction structures. A combined interview and scaling procedure can be utilized for identifying themes as well as to assess co-orientation. Structural stability can be gauged indirectly by measuring the stability of such organizational variables as formalization, task structure, and reward expectancies. These measures provide a view of climate/culture from the outside and set the stage for the next step.

(2) Once the parameters are known, qualitative observation and interviews can be employed to explore the structuration of climate/culture. The analyses focus on the following questions: What is the relation of climate/culture to other structural levels? If the organization is *structured*, how is climate/culture produced and reproduced by the interaction system and through discourse and how does climate/culture condition or constrain interaction in the system? If the organization is unstructured, how is climate/culture (re)produced and how it is kept uncoupled from the other structural elements? Answering these questions also requires the researcher(s) to specify how the unit's co-orientational state is maintained, especially with regard to the role of power and normative structures in the production and reproduction of collective attitudes.

(3) Once the outlines of the structurated climate have been established, the internal structure of themes and issues can be explored. In particular, the contradictions and mediations among beliefs and expectations, as well as between structural levels, can be explored. This step moves beyond the concern for specific interaction processes in the second step and focuses on broader and longer term trends in structural relations.

Each of these three steps builds on the findings of the previous one and explores increasingly complex layers of the structuration of climates/cultures. In sum, the theory of structuration emphasizes the structured nature of social life and attempts to identify the structures underlying observable practices while providing a systematic framework for the explanation of how structures are created and why they persist in ongoing practices. The resulting picture of climate /culture may be considerable more complex than other conceptions, but it assumed to better preserves the integrity of the construct.

Now that we have considered the issue of climate/culture strength and the relevance of structuration theory to capture the individual-environment relationship, we can address briefly the two remaining issues in climate and culture theory: climate and culture evaluation and climate and culture intervention.

3.4.4 Climate/culture evaluation

Climate and culture theories are largely meant to be descriptive and lack prescriptive moral intentions. Of course, in climate and culture theories, normative beliefs may be the subject of thinner or thicker descriptions. However, this is something different that identifying prescriptive intentions of those theories. In line with Denison (1996, 639), we could ask whether moral climate researchers do have a critical stance toward their object of investigation. In other words, do they lay down evaluative claims concerning the typical moral climate found in their research? Do they consider the political and ideological consequences of their work, for instance, by furthering the emancipatory interests of organizational members? Alvesson (1989; 1993) approaches organizational culture from an ideological perspective, while considering organization as a contested reality. From this perspective, subcultures may be of as much interest as organizational cultures, and the value system of the elite is but one influence on the ultimate form of the organization (as structuration theory explains). Thus, the political agendas of moral climate researchers may range from a focus on the emancipatory interests of organizational members to a focus on building a corporate character. However, as we have seen earlier, culture and climate theories have been linked to organizational performance in terms of effectiveness and efficiency. In chapter 1, this approach has been labeled as evaluation according to a pragmatic contingency criterion. From a contingency approach, for instance, machine bureaucracies may best have a role culture, whereas professional bureaucracies can better go along with a person culture. Other culture theories suggest a fit between culture and environment. For instance, Deal and Kennedy (1982) recommend a "tough-guy/macho" culture whenever a new product is launched and when the product does not yield much profit. A "bet-your-company" culture would be best suited in a situation of increasing market share, when the introduced product becomes a "star". A "work-hard-play hard" culture is recommended whenever the product becomes a "cash-cow", when the market share is large but hardly growing. A "process" culture is indicated when the share is small in a growing market and when the product turns out to be a failure. In all cases, the performance of the organization is the criterion, while consistency among different elements of the organizational configuration (strategy concept, production concept, organization concept - structure, culture, and administration -, and personnel concept) and contingency of the organization with the environment are the features to consider. However, as we have been

reporting above, there is few if any empirical support that culture or climate substantively contribute to organizational performance.

When a distinction needs to be made between the evaluation of climate and the evaluation of culture, it can be concluded that the initial emptiness of the climate concepts prevents a proper evaluative approach of the climate phenomenon. Only in a "climate-for" approach, evaluative criteria can be derived from the specific dimension the climate is a climate for. For instance, in a strong climate for sexual harassment, it can easily be proclaimed that an organization with no sexual harassment is the normative ideal. In the same vein, a climate for safety can be evaluated according the present level of safety and normative expectations derived from the desired level of safety (that maybe formulated in terms of governmental regulations). A climate for innovation can be evaluated in terms of the level of innovativeness of an organization, and goals can be formulated to arrive at a higher level of innovation. Only in moral climate theory, normative intentions from an explicit ethical perspective are present. However, since there are many strategies for moral justifications, the discussion of the moral climate must wait until in chapter 4 these strategies are explored and arranged into a moral climate theory.

Resuming the discussion about performance criteria, we can conclude that the pragmatic-contingency perspective in itself is not unproblematic. Performance criteria are not only loosely defined and poorly measured, but represent only a part of the complete set of evaluative criteria. When performance criteria are to be used (and there is nothing wrong with it), they are in need of a more elaborate meaning, as will be discussed below.

One of the merits of contingency theories is their emphasis on understanding the relations between organizations and their environments. Contingency theories reject the view of one best way of organizing and instead stress the need of arranging an organization - environment fit in order to survive. If only from an empirical perspective, contingency theory can be challenged since it can be shown that many organizations that are not internally consistent manage to survive, the ideological assumptions of contingency theories are more serious (Morgan, 1986, 71-76). When applied to profit organizations, they reflect a rather simplified free enterprise conception of competitive relations in economy with its implicit morality of short-term rationality, price competition, cutting of transaction costs, mutual unconcern and the duty to do all that is required to bring about perfect market conditions and nothing else, let alone externalities, since these impinge upon the cost function. Thus, for instance, any activity evoked by corporate social responsibility is thought to undermine an organization's competitiveness. This image of economic activity ignores the existence of bounded rationality, multiple organizational goals with possibly conflicting criteria of effectiveness, imperfect markets, numerous governmental regulations and consumer demands organizations have to be responsive to. It also reflects the biased account of competition that sets limits upon corporate ethical behavior, since it raises transaction costs and prevents profit maximization. The lack of clarity of the concept of organizational effectiveness seems to blur the use of the pragmatic-contingency criterion for evaluating moral climate (interventions). Many authors consider organizational effectiveness a confusing concept (Cameron, 1986). In its most general meaning it is an unspecified or empty concept referring to someone or something that has reached some goal. Therefore, effectiveness

can only be established afterwards. In real organizations, multiple and conflicting goals exist, because of diverging interests among stakeholders (including shareholders, employees, customers, clients, suppliers, and other parties) and because of different time perspectives (short term, middle range, long term) (Mitchell, Agle & Wood, 1997; Jones, Felps & Bigley, 2007). The priority issue concerning stakeholder claims has its counterpart in the organizational effectiveness issue: is it possible to establish a hierarchy of organizational goals? Anyhow, in establishing organizational effectiveness, irreconcilable multiple criteria are involved. Yet, to avoid conceptual disarray, some clear distinctions should be made for proper discussion. A classification of types of effectiveness (that reflects different stakeholder claims) may be helpful here. Campbell (1977) proposes an exhaustive list of criteria of effectiveness, including overall effectiveness, productivity, profit, efficiency, quality, growth, turnover, motivation, job satisfaction control, flexibility and adaptation, goal consensus, role and norm congruence, participation and shared influence, absenteeism, morale, conflict/cohesion, planning and goal setting, readiness, utilization of environment, stability, value of human resources, managerial task and interpersonal skills. According to Coulter (1979, 65-81), criteria of effectiveness can be grouped into three competing approaches: the *behavioral* approach emphasizing (groups of) individuals in terms of their behaviors and their views (satisfaction, absence of tensions and conflicts, psychological commitment, morale), the *process* approach emphasizing both internal processes and those processes between an organization and its environment (flexibility, creativity, open communication, acquisition of resources), and the *goal-attainment* approach defining effectiveness as the degree to which an organization reaches its goals (including productivity and personal goals). However, the relationship between these three contrasting approaches is not specified. Quinn and Rohrbaugh (1983, 366-377) tried to identify paradigms in the debates on effectiveness while using Campbell's list of criteria of effectiveness anticipating the competing values model. These authors make a distinction between the adaptive function, the goal-attainment function, the integrative function, and the human resources function as paradigms for effectiveness. However, they pay little attention to the social and economical context in which criteria for effectiveness are developed and practiced. What will be effective in one situation may not be effective in another. According to Goodman and Pennings (1977, 4 ff) the establishment of organizational effectiveness is problematic because of

- *conflicting assumptions* about organizational goals: a means for production goods and services, a labor community
- matters of *definition*: effectiveness is defined either broad or vague
- problems of *domain*: there is no consensus about types of criteria of effectiveness
- problems of *interests*: it is not clear from with perspective or frame of reference criteria are used
- problems of *determination*: a framework to define determining factors of effectiveness is lacking.

From this troublesome perspective, Cameron (1984) has made an overview of models of organizational effectiveness that are generally used.

Model	Definition: effective when…	Useful/most preferred when…
Goal Model	it accomplishes its stated goals	goals are clear, consensual, time-bound, measurable
System Resource Model	it acquires needed resources	a clear connection exists between inputs and performance
Internal Processes Model	it has an absence of internal strain with smooth internal functioning	a clear connection exists between organizational processes and performance
Strategic Constituencies Model	all strategic constituencies are at least minimally satisfied	constituencies have powerful influence in the organization, and it has to respond to demands
Competing Values Model	the emphasis on criteria in the four quadrants meets constituency preferences	the organization is unclear about its own criteria, or change in criteria over time are of interest
Legitimacy Model	it survives as a result of engaging in legitimate activity	the survival or decline and demise among organizations is of interest
Fault Driven Model	it has an absence of faults or traits of ineffectiveness	Criteria of effectiveness are unclear; strategies for improvement are needed
High Performing Systems Model	it is judged excellent relative to other similar organizations	comparisons among similar organizations are desired

This collection of models does not help us much further in (moral) climate and culture evaluation, apart from showing its complexity (a brief and critical representation of these models is given by Daft, 2001, chapter two). It even draws our attention to the circumstance that each model has its own organizational ontology including assumptions about the nature of organizations. Since effectiveness cannot be defined univocally, a coherent, universal, and all-embracing theory of organizational effectiveness is absent. Furthermore, there is no consensus about which criterion for effectiveness is the best, while various models of effectiveness are useful in divergent circumstances and contexts. Is there an acceptable way-out?
We cannot but accept an unspecified concept of effectiveness and use it as an emergent concept with meanings that develop within social contexts and may and will be subject to change (Weick & Daft (1983, 71-94). When it comes down to specification, goal models of organizational effectiveness do have the better credentials, though not in a pre-fixed manner. Different goals go along with different criteria of effectiveness. In its most general sense, an organization is effective, that is, successful, when it accomplishes its tasks and assignments. However, what these tasks and assignments exactly are is a matter of social construction in which diverging criteria for effectiveness are used and prioritized (mainly on ideological grounds, as will be indicated below). Generally, five criteria are used in determining the overall organizational effectiveness: economic, technical, administrative, psychosocial, and societal effectiveness (Van Dam & Marcus, 1995, 450-451; Keuning & Eppink, 2004, 29-32):

- *technical* effectiveness concerns the degree to which organizations make products that really work and

deliver the services they promise
- *economic* effectiveness concerns the degree to which organizational means are brought into action efficiently (profit organizations make profit and nonprofit organizations are cost-neutral)
- *administrative* effectiveness concerns the degree to which an organization can preserve itself by reacting appropriately to changing situations and conditions, that is, by being flexible and decisive (by high quality of information processing and decision-making).
- *psychosocial* effectiveness is the degree in which the needs of employees are met when carrying out their work (satisfaction through both work-intrinsic and work-extrinsic factors).
- *societal* effectiveness concerns the degree in which the needs and demands of external parties are met to justify an organization's legitimacy and its 'license to operate'.

An organization is effective when it is effective with regard to all the criteria of effectiveness just mentioned, since these criteria are supposed to be mutually dependent and reinforcing one another. A certain balance should be aimed at, based upon an optimum on any of these criteria, to keep all stakeholders satisfied and maintain the organization's viability (as can be read in most management literature). There is no specific explicit morality inherent to any of these criteria for effectiveness, though implicitly, ethical notions can be imagined, for instance in the notion of legitimacy in societal effectiveness, or in psychosocial effectiveness while referring to psychological well-being. In technological effectiveness, moral notions can be surmised in keeping promises, whereas economical effectiveness reflects values of thrift and even sustainability. However, we have to wait until the next chapter before the pragmatic-contingency criterion and its various forms of effectiveness can be confronted with moral-developmental criteria, the inherent tension explored, and solutions discussed.
Before doing so, we have to examine a final issue, concerning climate and culture intervention.

3.4.5 Climate/culture intervention

A final issue to be addressed in this section concerns climate and culture intervention. When culture and climate are converging concepts, so can be climate and culture intervention. However, when climate change is the aim, it should consider the deeper patterns and structures embedded in an organization's culture. In climate literature, and even more in culture theory, attention is devoted to intervention, despite the fact that culture is considered more resistant to change than climate. Interventions range from direct action upon behavior through a newly introduced system of rewards and punishment, direct action upon people's beliefs, attitudes, and values by using group dynamics and education, personnel changes to bring in fresh ideas and dismiss less fitting persons, changing people's positions in the organization, alternations within the structure of the organization, to corporate image change (Furnham & Gunter, 1993, 251). However, this is not the place to describe the wide variety methods of climate and culture change extensively (Van Hooft, 1988). For the most part, these methods will not be very different from the variety of methods that are current in theory and practice of organizational decision-making, change, and development. These models include finding the rationale for climate or culture change, defining the change in terms of objectives, planning the means to achieve these objectives, and implementing and evaluating the change plans. Dealing with resistance change will be a permanent point of attention, for instance involving personnel through sincere

communication, reducing uncertainty, and reinforcing new patterns of behavior (Furnham & Gunter, 1993, 254).

However, when building moral climate theory, it can be illuminating to consider the moral climate specific points of action for intervention. It is understood that this overview of intervention pathways reflects both the structure-action debates (influence the conditions or influence the interpretations) and the answers of structuration theory. Culture may follow structure and structure may follow strategy. Culture can also be considered as the primary determining factor, or, as Barney (1986, 657) puts it, structure and strategy of an organizations are direct manifestations of cultural assumptions about what business a firm is in and how it conducts that business. Other authors also develop this line of thought (for instance, Shrivastava, 1985).

More in particular, intervention can take advantage of general mechanisms in climate and culture formation and development, including group dynamics, structural interventions, leadership, and instruments of HRM (such as recruitment and selection, management development, staff training, performance appraisal). When taking the individual as the point of action, the issue raises where, where to start. Much can be learned from one of the assumptions of neuro-linguistic programming, stating that intervention at the identity and values level *will* affect all other levels (beliefs, attitudes, behavior), whereas intervention at the behavioral level *may* affect other levels.

A structure perspective starts on the other side. Since changes in behavior can yield changes in beliefs, a change in the variables associated with climate/culture might provide a useful entrée to achieve the changes in behavior that will result in changes in the more fundamental values and beliefs required for durable change.

Nevertheless, there is some strong skepticism whether culture and climate can be changed consciously through managerial activity at all since fundamental assumptions and values often lie at the preconscious level and do hardly allow for fundamental behavior change, if at all. The idea is rather that change occurs naturally, because of external influences. In my own organization, the Hogeschool van Arnhem en Nijmegen, in retrospect, a culture change could be identified because of respectively the change from input into output financing and processes of accreditation and certification, and subsequently, from an institution for vocational education to a University of Applied Science as a knowledge institute. From an ideational point of view, climate and culture can change by introducing and communicating new meanings (alternative sense-making through redefinition of expectation) in order to reevaluate organizational ongoing.

Other opinions believe that culture and climate can change, either by adapting practices or by making people behave differently while supposing that behavior change can be the leverage for changing basic assumptions and assuming that behavior change is well-meant and authentic, and not just compliance behavior. Furthermore, there is the problem on intended and unforeseen side effects. As Gilmore, Shea, and Useem (1997, 176-177) pointed out, four key side effects of attempts to change climate and culture may occur, single or conjointly:

- *ambivalent authority:* who is responsible for leading change and who decides what much change and how (manifested in such directions as "ordering" employees to become " empowered")
- *polarized images*: contrasting images of comfort with the new and the old ways of doing things can polarize the workforce (all that is new is progressive and all that is old is regressive) and can hence

cause discord and disagreement and a weakening of the culture or climate due to a decrease of homogeneity (early adopters opposing laggards)

- *disappointment and blame*: initial success can give rise to resistance and disappointment, frequently followed by finger-pointing up and down the managerial hierarchy toward perceived malcontents and scapegoats in case of drawbacks
- *behavioral inversion*: absorbing new values, beliefs, and behaviors into old ones, making the old seem new and this preserving the status qua without appearing to do so (displayed in empowerment slogans masking a reassertion of hierarchy, as in compliance behavior).

To be effective, climate and culture intervention should reckon with these side effects appropriately as part and parcel of intervention programs, and choose the most appropriate extrinsic and/or intrinsic forms of reinforcement at the different points in the change process (Ostroff, Kinicki & Tamkins, 2003, 585). Furthermore, climate and culture research need to reckon with all kinds of resistance to chance and blockades, including "the road to hell" (being stuck in good intentions), "when the boss is satisfied" (compliance instead of internalization), "cynicism" (disappointment when management fails to set an example), "wrong foundations", and "impatience" (Hasselt & Pels Rijcken, 1987, 55-57). Finally, climate and culture change may not be effective when relations with other organizational parameters, including the organization's past, are ignored.

This brings us to the very intricate issue of what Wilkins and Dyer (1988, 522) term as the culturally sensitivity of culture change. They noted that most current theories of culture change in organizations fail to take the nature of the culture to be changed into account. Although there are different theories about how cultures change, each theory describes the process as though it were independent of the kind of culture that is changing (or being changed). Apparently, many authors cherish the "one size fits all" approach. An exception is Rentsch (1990, 678) who suggests that the finding that different interaction groups do interpret the same organizational events differently may imply that different intervention types may be needed for different interaction groups for maintaining or changing meanings in organizations. In sum, the fundamental question is whether the change to a different culture requires different change strategies.

In the present study, the point is made that moral climate intervention necessarily needs to be contingent, depending on both the direction of the actual and the preferred moral climate and the strength of the extant moral climate profile and moral climate configuration. For this moment, we will focus on direction and content of change. The intricate part is, that every organizational climate and culture (including moral climate) has exercised influence on what has been learned and how this has been learned. Since climate and culture intervention involves learning (of new ways of perceiving, thinking, judging, acting, and even of learning), intervention methods should anticipate the direction and contents of the intended change, instead of reinforcing the old frames and patterns of perceiving, thinking, judging, acting, and learning that eventually enfeeble the goals of change. From a development point of view, a change from moral climate N to N+1 should be in line with N+1 without ignoring those features of N that might enter the new stage. Exactly here, the essential tension concerning intervention is located: being *culture/climate-sensitive* to the old culture (while choosing methods that reflect the frames of the

patterns of the old culture of climate) and/or develop *culture/climate-specific* interventions in line with the desired climate (while choosing those methods that anticipate the new climate or culture).

In chapter 4, this line of thought concerning moral climate sensitive intervention will be continued when the "moral" part of moral climate has been explored sufficiently.
For now, the conclusion can be drawn that no generic theory for climate can and need to be formulated and that methods of culture intervention are not generically applicable. Instead, an integral method for change arranging concepts constituting contingency theory can be outlined and its building blocks identified.

When things go right, there is a consistency between the concrete specifications of five connected concepts:

- concept of *environment*: does within the organization a correct view exist of the environment, changing demand factors and other relevant (demographical, economical, political, legislative, socio-cultural) developments?
- concept of *strategy*: is there a clear image of the mission of the organization translated into a business model and a strategy to deal with the (changing) environment effectively?
- concept of *production*: are business and managerial processes designed to effectuate the strategy in such a way that is technical, economical, administrative, psychosocial and socially effective?
- concept of *organization*: is the organization designed in such a manner that structure, culture/climate, and administrative policies and practices match the other concepts?
- concept of *personnel*: is there a clear image of which type of personnel we need to deliver the products and services and a clear view of the policy to deal with personnel (in terms of personnel management)?

Considered from a HRM perspective four clusters of professional issues can be identified (that may turn out to be connected with one another as well with the organizational context):

- issues of *capacity*: do we enough staff (not too much or too few)?
- issues of *competence*: is staff competent to perform the tasks assigned now and later?
- issues of *health and well-being*: is staff healthy and how do we keep them healthy, for instance by considering labor conditions?
- issues of *motivation and commitment*: is staff commitment to the organization and the work assigned; how do we get or keep staff committed?

A possible horizontal connection can exist between, for instance an issue of capacity and ill-making working conditions, or between lack of commitment and lack of competency resulting in poor efforts to enhance skills. Possible vertical connections can be found between these issues and one or more elements of the organizational context: environment, strategy, business and managerial processes, structure, culture/climate, and personnel management. A mismatch

between these concepts will give rise to one or more of the clusters of HRM issues mentioned above, whereas a change in each of these concepts has implications for the specification of the other concepts.
The five concepts (of environment, strategy, production, organization, and personnel) can be arranged in the scheme below to indicate the integral character of climate and culture intervention change. The arrows directed downward indicate that each underlying concept is affected by the concepts lying above. The arrows directed upward indicate that influence in the other direction is also possible. For instance, a newly chosen personnel concept could ask for a restructuring of (parts) of the organization, require a new manner of producing goods and services, or even an new orientation on the task environment of the organization.

CONCEPT OF ENVIRONMENT
↓↓↑
CONCEPT OF BUSINESS AND STRATEGY
↓↓↑
CONCEPT OF PRODUCTION
↓↓↑
CONCEPT OF ORGANIZATION
(structure/culture/climate administrative policies and practices)
↓↓↑
CONCEPT OF PERSONNEL
↓↓↑
HRM ISSUES

From a HRM perspective, issues concerning climate/culture intervention can be resolved by putting in one or more of the HR instruments. These efforts can be arranged into a so-called PIM, a Personnel Implication Matrix (Van Laanen, Puister & Baaijens,1987; Noomen, 2004, 269-271), in which issues of competence and motivation and commitment (and perhaps capacity) will be the dominant themes when it comes down to climate/ culture intervention. Each cell allows for a specification of how an instrument can contribute to resolving issue (if possible consistently, that is, in such a manner that the contents of the cell reinforce each other instead of counteracting). A completed PIM can be the starting point of interventions.

HRM-issues / **HRM-Instruments**	**capacity**	**competence**	**health and well-being**	**motivation and commitment**
staff planning				
recruitment and selection				
introduction and socialization				
performance appraisal				
performance interview				
job description and job evaluation				
human resources development				
career planning/career development				
management development				
terms of employment				
personnel administration				
supplying information /"oracle" function				
personnel care				
employee participation				

working conditions				
discharge and redundancy				
individual guidance and coaching				
mediation				
other				

In the vignette presented in chapter 6, a PIM will illustrate moral climate intervention.

3.5 Implications for moral climate theory and preview

What can be concluded from the discussion of organizational culture theory, organizational climate theory, and their complicated relationship when it comes down to constructing a comprehensive and fruitful moral climate theory in terms of concept, typology, research methods, evaluative and interventional issues?

- *Conceptual and typological issues*

Because of its orientation on normative beliefs of all sorts, culture theory could be a suitable candidate to capture the moral aspects of running an organization. Although in many contributions values play an essential role, these values are for the main part non-moral and are not approached from an ethics perspective. From a social and cultural anthropological perspective, many theories of organization are rather superficial (for instance, the theory of Harrison and Handy describing no more than principles of arranging work) and could pass for climate theories. Those contributions speaking of moral culture are included in the review of contributions to moral climate theory summarized in chapter 5 and integrally included on the CD-ROM that accompanies the present study.

The organizational climate concept proved an empty concept that only gets a specific meaning when climates as specified as climates for something, for instance, safety, learning, trust, innovation, or ethics. Unlike the other specifications, ethics is not a specification that can be juxtaposed to other specifications. Instead, moral climate permeates and determines the other specifications. For instance, an organization's moral climate specifies or even determines the reasons why a climate for safety or innovation is set up and maintained. In this example, safety and innovation are the specific contents of moral reasoning, deciding, and acting. Without a proper moral climate, a climate for safety may even fail to exist effectively.

What can be done more to tell beetles from bugs? Put into another metaphor, the question is whether in the end, climate and culture are singing of the same sheet of music, and, by implication, whether the terms can be used interchangeably. If two terms have the same meaning, of them can be dropped, for convenience. However, if there are conceptual differences, not only from their past, but because the terms describe different melody lines of that sheet of music, these melody lines should be specified in order to enhance sound part-singing.

Throughout the present study, the term moral climate has been used. It can be explained now, on what grounds this choice has been made. Culture cannot fulfill the function intended because of the lack of ethical content and the rich character of the concept. This affects moral culture, too. Moreover, in a certain way, moral culture sounds double, insofar as culture consists of normative

beliefs. Climate, on the other hand, has two advantages. Since it is an empirically empty concept, it can easily be filled with ethics as its specification. Furthermore, climate is superficial concept attempting to catch moral argumentation in an organization or its formal and informal subsystems. Organizational culture on its turn can be a factor explaining the presence of this or that moral climate profile.

This is not the end of the story, since within climate theory different positions exist. More in particular a perceptions position and an attribute position were distinguished. In the former view, climate is considered as some aggregate of individual or collective perceptions, whereas the latter position considers climate as a more or less objective suprapersonal attribute (in Durkheimian terms, a social fact, and in the case of moral climate, even a moral fact) of an organization (or its formal and informal subsystems). For reasons given in the preceding sections, the choice is made to consider climate from an objectivist attribute point of view. As we shall see in chapter 5, many moral climate researchers (notable Victor and Cullen and their many followers) adopt a perceptions view, possibly at the expense of reliability and validity.
Now, moral climate is a subcategory of culture, an objective characteristic or an organization (or its formal or informal subsystems) and has been defined as the dominant style of moral argumentation. As such, it resembles more a climate theory than a culture theory, and hence can be considered as a superficial aspect of culture, yet having its deeper roots in cultural values and assumptions and worldviews, and its visible manifestations in all sorts of artifacts.
The adoption of an objective, attribute approach of moral climate has its consequences for determining strength of moral climate. In a perceptions approach, a suitable composition model can be used, whereas in an attribute approach, complex dominance patterns should be must be identified and diversity examined while connecting it to both issues of moral decision-making and the proper level of analysis while considering moral subclimates.

Culture and climate theories offer a variety of typologies. However, when moral climate is a special type of climate-for, its moral contents need specification when it comes down to constructing a moral climate typology. In chapter 4, an attempt is made to offer a sound and fruitful moral climate typology, based upon a revised edition of Kohlberg's theory of cognitive moral development.

- *Empirical issues*

In the discussion of the relationship between climate and culture, a tendency of convergence can be noticed, at least from a methodological perspective. That is, climate theory is not longer exclusively associated with quantitative methods (more in particular, surveys), whereas culture is no longer linked up with qualitative methods (participant observation, document analysis, and in-depth interviews with competent informants. Methodological triangulation (if carried out properly) can help to identify and distinguish espoused and enacted moral climate. More in particular, interaction about (ongoing) events in the organization should gain ample attention as processes of structuration.

- *Evaluative issues*

As we have seen, performance criteria emerging from a pragmatic-contingency approach of climate and culture evaluation are not without difficulties. In chapter 4, five criteria of organizational effectiveness are confronted with developmental moral criteria, based on Kohlberg's theory of cognitive moral development.

- *Interventional issues*

Moral climate intervention can be carried in a variety of ways, while methods of intervention reflect positions in structure-action debates. In chapter 4, we will conclude that moral climate intervention needs to fit moral climate in two ways: it must be moral climate *sensitive* (while choosing methods that reflect the frames of the patterns of the old moral climate) and be moral climate *specific* (while choosing those methods that anticipate the moral climate). In chapter 6, an elaborated vignette demonstrates how this figures out, with HR instruments put in a PIM.

Chapter 4 Conceptual backgrounds (2): The 'moral' part in 'moral climate'

4.1 Introduction: the various meanings of 'moral'

In the previous chapter, concepts of climate and culture were explored to capture the "climate part" of "moral climate". An attribute approach of climate was favored above a perceptions approach. Climate without further substance proved to be an empty concept. Climates need to be climates for something in order to be a meaningful concept. A moral climate supplies climate theory a substance that permeates all other substances, such as safety, learning, innovation, service, trust, et cetera.
However, an essential issue to deal with in this chapter concerns the rather complicated meaning of "moral". In order to make a sound and fruitful moral climate theory, we are not able to get around the complicated issue of the meaning of "moral" in the moral climate construct. I advocate the position that normative ethics primarily is a matter of justifying moral claims by using one or more strategies of argumentation. This position keeps in with the vast body of moral climate literature in which "prevailing or dominant modes of moral argumentation" is a key formulation, especially, in the contributions that rely directly or indirectly on the Kohlbergian paradigm of cognitive moral development (as do most of them).
My approach implies a cognitive (and mostly, in pure Kohlbergian fashion, also developmental) approach of morality, in which morality is primarily conceived as giving (good) reasons for moral decisions and moral action, at the exclusion of those approaches that take moral emotions or moral intuition as their point of departure (emotivism) (see, for instance, Haidt, 2001; Sonenshein, 2007). However, many (types of) good reasons can be given for moral claims. From the perspective of argumentation theory, types of moral argumentation are foundational to moral climate, assumed that these types of moral argumentation are the basis on which moral climate theories and typologies can be and will be constructed.

The point is that careful reading of moral climate literature reveals that not all contributors to moral climate theory are trained ethicists, possibly leading to suboptimal representations of moral argumentation. Are all relevant types of moral position taking reflected and reflected properly in theories and typologies of moral climate? That is, are no relevant types of moral argumentation ignored, and ethical theories that lie at the heart of moral climate definitions and typologies correctly represented, understood, and correctly applied as arguments in theory building? Inadequate theoretical models may lead to blind spots when used in inquiring organizational morality, while incorrect application of ethics theory may result in invalid conclusions. On the other hand, theoretical models covering all possible types of moral argumentation may be overarching and even comprehensive, yet not very practical for research purposes. Hence, we will confine ourselves to the relevant, main strategies of moral argumentation.
To examine the moral part of concepts of moral climate, a conceptual measuring rod is required to avoid too abundant nomadic activity in the ethics rhizome. For this purpose, an overall schema is constructed to accommodate common types of moral reasoning. This schema consists

of two dimensions, the first of which is the sociological dimension, relating to the breadth of the actor's *moral horizon* that determines whose claims are morally included or morally excluded (4.2). The second dimension refers to the *type of justification* adduced for moral claims (4.2). Both dimensions will be discussed hereafter and are combined in a moral argumentation scheme, followed by a discussion of the possible mutual relations among strategies of moral justification (4.3). One of these possible relations is a developmental relationship that has its most elaborated expression in Kohlberg's theory of cognitive moral development (4.4). Although there are other developmental notions of morality, I consider Kohlberg's theory as the essential paradigm because of its strong empirical confirmations. An even more powerful argument for focusing on Kohlberg's theory is that the majority of contributions to moral climate theory are inspired by his theory, either directly or indirectly.
In the concluding section of this chapter, I describe the implications for moral climate theory in terms of the conceptual, typological, empirical, evaluative, and interventional issues outlined in chapter 1.

4.2 Moral horizon

The moral horizon concerns the sociological dimension of moral reasoning. Four concepts will be discussed briefly, including social perspective taking, locus of analysis, breath of constituency, and categories of community. As we shall see, in many theories of moral climate this moral horizon dimension plays an important role. This is not so surprising as is seems, as most of these theories are derived from Kohlbergian theory.

- Social perspective taking

In Kohlberg's theory (to be discussed below), stages of cognitive moral development are distinguished in terms of types of moral justification, and, of interest here, of social perspective taking. In Kohlberg's terms (1984, 173, 177) this concept of social perspective taking refers to the point of view the individual takes in defining both the social facts and sociomoral values, or "oughts". Corresponding to the three major levels of moral judgment, he postulated the three major levels of social perspective:

	Moral judgment	*Moral perspective*
I	Pre-conventional	Concrete individual perspective
II	Conventional	Member-of-society perspective
III	Post-conventional	Prior-to-society perspective

These perspectives are explained as follows (Kohlberg, 1984, 177-178):

I. The concrete individual perspective is that of the individual actor in the situation thinking about his interests and those of individuals s/he may reckon with or care about.
II. The member-of-society perspective concerns the good of society as a whole.
III. The post-conventional perspective is prior to society: it is the perspective of an individual who has made the moral commitments or holds the standards on which a good society

must be based and is characterized by a both critical position towards societal conventions and the ability to replace these by better (more just) conventions.

- Locus of analysis

In their typology of ethical (work) climates, Victor and Cullen (1987; 1988) apply the term *locus of analysis* - by elaborating distinctions made by sociologists Merton (1957) and Gouldner (1957a; 1957b) as a referent in ethical decision-making, in two separate meanings:
(1) A locus of analysis is a referent group identifying the source of moral reasoning used for applying ethical criteria to organizational decisions and/or the limits of what would be considered in ethical analyses of organizational decisions. Victor and Cullen distinguish three loci of analysis that are, according to these authors, somewhat similar to Kohlberg's classification of individual moral reasoning relative to the concept of self. They refer to Kohlberg's distinction of levels of moral development, while using criteria derived from moral reasoning in the self, in a social system, and ultimately, from concern for humanity as a whole. These individual, local, and cosmopolitan loci of analysis are considered as similar to the social perspective dimension in Kohlberg's specification) (Victor & Cullen, 1987, 56; Victor & Cullen, 1988, 105, 106; Cullen, Victor & Bronson, 1993, 668-669).
(2) These loci of analysis as points of reference also have a second meaning. Moral decisions always have effects on one or more persons (labeled as stakeholders). Hence, the authors propose a parallel threefold distinction between people who:

- almost always make moral decisions based on how the outcomes will affect individuals,
- consider the effects on groups that they belong to (such as their family or their organization),
- look beyond their immediate reference points to consider the interests of society at large or even humanity as a whole.

This second meaning comes closest to Kohlberg's distinction in moral perspectives. In the discussion of the typology of Victor and Cullen in chapter 5, their explanation of these three loci of analysis will be discussed in more detail.

- Breath of constituency

Snell (1993, 80, 82) introduced the concept of *breadth of constituency*. An organization's breadth of constituency reflects its view of (social) responsibility, varying from quite narrow to very broad, depending on which claims of which stakeholders are granted: shareholders (if any), customers, political paymasters, law enforcement agencies, alliance partners, staff, competitors, suppliers, neighbors, government, future generations, and so on[57].

- Categories of community

In their description of Integrative Social Contracts Theory, Donaldson & Dunfee (1999, 40) distinguished several *categories of community,* on different levels of aggregation:

- Political/economic categories (ranging from local authorities to, for instance, the European Community or the United States)
- Industries (chemical manufacturers, software producers, travel agents)
- Corporations (Canon, Microsoft, Unilever, Philips, Shell)
- Subunits of organizations (Human Resources Department, General Counsel's Office)

- Informal communities within organizations (networked female managers, managers who regularly play golf together, networked African-American managers)
- Partnerships (Volkswagen/Porsche)
- Professional associations (Caux Round Table, National Association of Realtors, ANSE)
- Transactional communities (those engaged in an auction; all engaged in trading NYSE securities)
- Trade associations (Internal Chamber of Commerce, Chemical Manufacturers Association, ILO).

These four concepts - socio-moral perspective, locus of analysis, breadth of constituency, and categories of community - all refer to the horizon of moral decision-making, to whose claims are included in moral decision-making and to who are morally excluded. The approaches to moral horizon overlap, but reveal incompleteness as well. In Kohlberg's overview, an explicit organizational perspective is lacking, as is the case in the distinction proposed by Victor and Cullen. The local locus of analysis refers both to units or work teams and to the organization at large, thereby ignoring differences between commitment to the unit or work group in which strong personal loyalties and mutual care may occur as opposed to the relative anonymity of organization membership. Serious problems arise with the cosmopolitan locus of analysis as favored by Victor and Cullen. This cosmopolitan locus of analysis is probably supposed to parallel Kohlberg's prior-to-society perspective, but instead, they blur conventional and post-conventional morality by not making a distinction between societal perspectives (conventional) and those perspectives in which post-conventional morality is prevalent (for instance, in professional associations). As will be demonstrated in chapters 4 and 5, this is not the only point in which Victor and Cullen dilute, or even defame Kohlberg's theory. In sum, these two trichotomies differ substantially from each other, and are rather incomplete, each in its own way.

Another issue concerns the place of stakeholders, a concept that is absent in Kohlbergian theory, not surprisingly, as stakeholder theory was 'in the making' when Kohlberg formulated his theory. Furthermore, Kohlberg's concept of socio-moral perspective was not designed especially as a central notion in business ethics theory. However, Victor and Cullen, as contributors to business ethics, could have used stakeholder theory, as did Snell while using his concept of breadth of constituency.

As we will see, moral horizon gets a different meaning in each of the forms of moral position taking to be discussed hereafter. A conceptual problem is that of choosing a definition that is not already contaminated with notions of a specific form of moral position taking (for instance stakeholder theory as an example of teleological moral reasoning when its moral deliberation focuses on the effects on stakeholders involved and their interests. Therefore, in this study the concept of moral horizon is used in a sociological sense to indicate the level of aggregation moral decision-making is referring to, in a twofold way:

I. Departing from the individual making moral decisions, a series of concentric circles can be drawn around this individual, including dyad, group (including family, class, peer group, team), organizational unit, organization, neighborhood, local community, society at large, humankind. For specific use, intermediate concentric circles can be drawn as well. For instance, in-between local community and society at large, region or state can be located. In-

between society at large and humankind supranational entities can be important to distinguish, such as the European community, or specific clusters of Third World countries or the OPEC-countries.

II. Within each concentric circle, from a stakeholder perspective, it is possible to localize certain types of stakeholder groups. For instance, within society at large, certain types of customers may be considered as a separate stakeholder group (such as senior citizens, adolescents favoring popular music, or car drivers), whose rights and claims are at stake in moral decision-making.

In the rather comprehensive scheme presented below, the moral horizon can be pictured as expanding from the individual to actual and future mankind. However, in the scheme below, the ethical dimension has been left unspecified. In the next part of these sections, we will address the issue of ethical theories as the basis of moral decision-making. When constructing moral climate typologies, based on both the moral horizon and the ethical dimension, a new problem arises when this comprehensive scheme is used to identify moral climate types and moral climate profiles. The scheme below allows no less than 64 moral climate types to exist, at least virtually, which is rather much for a useful and parsimonious typology. With every additional form of moral position taking, the typology will expand with sixteen possibilities. Therefore, reductions are needed badly to arrive at a convenient typology. Possible avenues for an appropriate reduction are:

- exclude theoretically impossible combinations as well as empirical empty combinations
- combine moral horizon levels (and restore distinctions later when needed)
- make branch-specific schemes by distinguishing for-profit, not-for-profit, governmental, non-governmental organizations.

The first of these avenues appears the most rigorous one to arrive at a more parsimonious model, whereas the second avenue is a convenient way to reduce the remaining parts. Although, the third avenue seems plausible too, at least theoretically, a four-way division may lead to considerable overlap between the four schemes. Furthermore, it hampers comparison of the branches mentioned and cannot make visible possible convergence between branches.

As can be concluded from the considerations above, in order to be as comprehensive as possible, we need some more loci of analysis than proposed by Kohlberg and by Victor and Cullen on the one hand, but need not be as abundant as the scheme below suggests. In constructing a typology, all phenomena must be classified somewhere, according the purpose of the research. In chapter 2 it was argued, that typology construction consists of three steps: substruction (honoring the complete range of logical possibilities), reduction (eliminating those elements that are self-contradictory or combining those elements occurring with low frequency into one type), and connecting these elements according to some underlying principle (for instance, a hierarchical, a genealogical, or developmental order).

Substruction applied to the ethical and the moral horizon dimension leads to the scheme below.

ethical dimension → moral horizon ↓	form of moral position taking I	form of moral position taking II	form of moral position taking III	form of moral position taking IV
individual				
dyad				
formal group/team				
informal group or clique				
unit/department				
neighborhood				
organization / concern				
local community				
industry/production-distribution chains				
consumer groups				
professional associations				
society at large				
supranational organizations				
global community				
future generations of mankind				

In the final section of this chapter, we will see how reduction and connection affect this scheme. Before we can arrive at a practical moral climate typology, we need - after having discussed the sociological dimension of moral decision-making -, to turn to its ethical dimension by discussing four main strategies of moral justification and considering their mutual relationships.

4.3 Forms of moral position taking as strategies for justifying moral claims

Since morality is considered primarily, at least within the premises of this study, as a matter of argumentation, modes of moral argumentation can basically be clarified with the help of argumentation theory, notably the model of Toulmin. This model was constructed to describe and analyze (moral) argumentation, initiated by Toulmin, used widely since, and adapted at some points, consists of the elements necessary for our purpose (Toulmin, 1953; Tou1min, 1958; Van Eemeren, Grootendorst & Kruiger, 1981; Van Eemeren, Grootendorst & Kruiger, 1983; Nilstun, 1979; Schellens, 1985). In its most simple form, (moral) argumentation can be described in terms of three elements: data, claim, and warrant, as a common example shows.

Data: there is some situation (for instance, Bob Johnson is caught smoking in a definite non-smoking area in a pyrotechnics factory).

Claim: these data tempt some actor (for instance, Bob Johnson's superior) to put forward some (moral) utterance (this behavior is definitely wrong and Bob Johnson must be punished for his risky behavior putting his life and that of others at stake, and, more in particular, Bob Johnson will be fired instantaneously).

Warrant: the claim of Bob's superior can be justified when looking at corporate safety rules (one of which prescribes immediate dismissal in case of smoking in non-smoking areas). In this case, the superior's decision comes down to subsuming of an action under a prefixed rule.

Though in its elaborated form the model of Toulmin contains more elements, including the qualifier, the backing, the reservation and the concession, essential to any (moral) argumentation is the warrant. The warrant, assumed it matches the situation given, is the bridge (the rule of inference) between data and claim and explains and justifies why the claim put forward is in this situation an appropriate claim, that is, a defendable and acceptable claim. Put simply, the warrant answers the question "how do you mean" or "how's that"?

In fact, normative ethical theories, such as deontological ethics, teleological ethics, virtue ethics, and axiological ethics, can be described according to the types of warrants given for moral claims. From this perspective, ethical theories are strategies of justification of moral claims, based on the idea that these strategies all disagree about the nature and content of the wrong (Scheffler, 1993, 122) and about the definition and justification of the normative endpoint of moral development (Kohlberg & Armon, 1984, 392). However, before we will examine ethical theories from the perspective of moral argumentation theory, additional distinctions are made concerning to types of warrants.
In his study *Redelijke argumenten (Reasonable Arguments)*, Schellens (1985), based on Perelman and Olbrechts-Tyteca (1969) and Hastings (1962), distinguishes six basic argumentation schemes, according to the type of justification for (moral) claims:

(1) argumentation based on regularity
(2) argumentation based on rules (rules of value and rules of conduct)
(3) pragmatic argumentation (as in cost-benefit analysis)
(4) argumentation from authority
(5) argumentation from example
(6) argumentation from analogy.

This range of six types of argumentation structures (or actually seven, when argumentation based on rules of value and argumentation based on rules of conduct are considered distinctive modes of argumentation, as we will consider below) goes beyond Toulmin's distinction between arguments from principles and arguments from consequences (Nilstun, 1979, 53-72), and needs some further explanation for proper understanding. To begin with, the first three of these categories are each bound to a certain kind of conclusion, whereas the second three categories, on the contrary, are so-called "free-floating" types of argumentation, that is, these types are not confined to certain types of claims.
(1) *Argumentation based on regularity* refers to a descriptive (empirical) generalization, with a conclusion of a factual nature. Subcategories are *explanatory* argumentation and *predictive* argumentation, both justifying empirical claims by pointing at some underlying regularity in nature. Argumentation based on regularity explains why, as well as predicts that in late summer and autumn leaves show a shift of color and eventually fall from the trees (at least in moderate climate zones). A weaker form of argumentation based on regularity is argumentation based on *correlation*. In ethical discourse, argumentation based on regularity is not appropriate; using argumentation based on regularity to justify moral claims can be considered a critical mistake. However, this does not mean that empirical claims and generalizations must be banned out of

moral discourse altogether. It simply means that moral claims cannot be justified by empirical claims without an extra normative argument, to prevent is-ought fallacies. Argumentation based on regularity may play an important role in explaining why a certain of moral climate occurs in certain types of industry, but this type of judgment is of the non-moral kind

(2) *Argumentation based on rules* does appeal to normative generalization, and its nature is always that of a value judgment of the "action X is good or bad" type. Within this category, Schellens distinguishes two subcategories, argumentation based on *rules of value* (rules to construct value judgments), and argumentation based on *rules of conduct* (rules for the evaluation of behavior). Since these two subcategories lie at the heart of moral argumentation, I describe them more precisely hereafter.

(3) *Pragmatic argumentation* - also called argumentation based on advantages (pros) and disadvantages (cons) - justifies claims concerning courses of action in terms of the (un)desirability of their consequences.

The three "free-floating" types of argumentation - *authority based argumentation*, *exemplary argumentation*, and analogy argumentation on their turn are reducible to one of the bounded types of argumentation[58]. For this reason, these types of argumentation will be left out of consideration here. Since argumentation based on regularity is left aside as well, we will confine us here to the two forms of argumentation based on rules and to pragmatic argumentation.

These various modes of argumentation can be represented schematically.

(1) *Rules of value* refer to those judgments that contain valuations and answer questions such as 'what is it worth?' and 'what makes someone or something good?' When connected to the model of Toulmin, the claim to be justified can be considered the evaluatum. In doing so, the following argumentation structure appears, in which A stands for the evaluatum, and P stands for good or bad making properties (in reality, more good and/or bad making properties will be involved, indicated as $P_{1\text{-}n}$):

(a) When an A has property P, judgment J over A is justified.
A has property P.
Therefore, judgment J over A is justified.

(b) When an A fails to have property P, judgment J over A is not justified.
A fails to have property P.
Therefore, judgment J over A is not justified.

(2) *Rules of conduct* are general propositions that tell us whether a certain (intended or proposed) conduct, course of action, measure, or intervention is prohibited, permitted, compulsory, or deserves recommendation. Rules of conduct answer question such as "what should we do?" and "what should be left undone?" et cetera. Acting according to rules is discrete: you stick to a rule, or you do not; there is no middle course. Argumentation based on rules of conduct can have one of two forms (in which A stands for the content of the moral claims to be justified):

(a) Rule X is a generally accepted rule of conduct.
Action A is in accordance with or not contrary to rule X.

Therefore, action A is justified (permitted, not forbidden, compulsory, desirable).

(b) Rule X is a generally accepted rule of conduct.
Action A is not in accordance with or contrary to rule X.
Therefore, action A is not justified (not allowed, prohibited, undesirable)

(3) In *pragmatic argumentation,* moral claims are justified by outweighing the pros and the cons (positive and negative consequences) of a certain decision or course of action. There are simple versions of pragmatic argumentation as well as versions that are more complicated. In its most simple version, pragmatic argumentation can have one of two forms (in which A stands for the content of the moral claim to be justified, for instance, an intended course of action):

(a) Action A leads to outcome B
Outcome B is desired
Therefore, action A is desired

(b) Action leads to outcome B
Outcome B is not desired
Therefore, action A is not desired

A more sophisticated version of pragmatic argumentation - in which both possible pros and cons are included - can be represented in a comprehensive schema (in which $A_{1\text{-}n}$ stands for alternative actions under consideration):

Alternative A_1 leads to pros P_1 and cons C_1
Alternative A_2 leads to pros P_2 and cons C_2
Alternative A_n leads to pros P_n and cons C_n
For all alternatives holds that A_x is feasible
For all alternatives holds that A_x is permitted
The pros of alternative A_1 outweigh its cons
The balance of pros and cons of alternative A_1 is larger than of any other alternative
Therefore, alternative A_1 is desirable.

To make it more complicated, in some rule-utilitarian approaches (see below) pragmatic argumentation is applied to moral rules, in the following way:

Compliance with Rule R_1 leads to pros P_1 and cons C_1
Compliance with Rule R_2 leads to pros P_2 and cons C_2
Compliance with Rule R_i leads to pros P_i and cons C_i
The balance of pros and cons of complying with Rule R_1 is larger than of any other rule
Therefore, compliance with R_1 is chosen.

This excursion across various modes of moral argumentation is necessary to identify relevant forms of moral position taking, that is, possible strategies of moral justification. These modes of moral argumentation can not only be connected to current ethical theories, this exercise also shows that these connections are elementary, and ask for some refinement and elaboration to cover the whole range of current and common justification strategies. Exploring the 'moral' part of moral climate asks for identifying relevant strategies of moral justification. Mindful of the principle of parsimony, as few ethical theories as possible should be allowed in moral climate theory. Still, to be theoretically appropriate and practically useful, moral climate theory should

cover common and relevant modes of moral argumentation. Therefore, the main purpose of the following presentation is to outline a framework of ethical theories, with some hints concerning their use within business ethics.

Essential to modes of moral position taking, conceived as strategies of moral justification, is their idiosyncratic argumentation structure and procedure for justifying moral claims. Ever since Broad (1930, 206-207) introduced the distinction of ethical theories into two classes, deontological and teleological ethics, it was considered just the fundamental classification within normative ethics that became quickly widely accepted in ethics as the exhaustive dichotomy. Teleological (or consequentialist) theories were defined as ones holding that the moral rightness of an action is always determined by its tendency to promote certain consequences deemed intrinsically good (benefits), and/or to prevent from consequences deemed intrinsically bad (harms). Deontological theories, denying this claim, hold that certain acts exhibit intrinsically right-making features in themselves (based on universal principles, such as respect for autonomy), regardless of the consequences that may come after them. However, it was recognized that two other fundamental classes of normative moral judgments did not fit easily with Broad's distinction. First, Broad's distinction focuses on rightness or obligation, thus excluding moral judgments concerning what is admirable, good, excellent, or ideal. Second, it concerns only actions and their consequences, ignoring moral judgments concerning persons, character (traits), and so on. These once much practiced ethical theories - axiological (value) ethics and aretaic (virtue) ethics (emphasizing moral excellence) - were restored in their honor, challenging Broad's distinction (Louden, 1998, 492). For our purpose of constructing a format for describing and evaluating moral climate theories, a brief discussion of these moral theories is inevitable, since (typologies of) moral climates are based on these theories in a more or less appropriate way. In the next paragraphs, we will subsequently discuss deontological ethics, teleological ethics, axiological ethics, and aretaic ethics. It should be noted in advance, that though each form of moral position taking has its subdivisions, only the common ground of each form of moral position taking is discussed and specifications are included when relevant for moral climate theory

4.3.1 Deontological or duty ethics

From the perspective of deontological ethics, an action is morally correct when it complies with a (if possible universal) moral rule, and is morally incorrect when it does not comply with a (if possible universal) moral rule. These rules (for instance, the Ten Commandments) permit, demand, command, or forbid certain actions, and do (at least, from a deontological perspective) always have priority over personal wishes and desires of de judging and acting person. It is not difficult to recognize in deontological ethics an argumentation based on rules of conduct (as said, if possible of the universal kind). These rules can be thought of as realizations of fundamental moral principles (including civil rights, employee rights, and consumer rights). Deontological ethics does not consider effects and consequences of actions, nor does it emphasize moral intents and virtues, apart from the duty to comply with rules from free will and respect for other people's autonomy. The very essence of deontological ethics is that it is a person's moral duty to choose that particular course of action that matches a fundamental principle, value, or moral right, independent of the consequences of that action. The correct action is not to be carried out

to meet other persons' expectations, but simply because one should effectuate the correct actions out of a sense of duty (to deon) to comply with moral rules. According to Immanuel Kant, the highest good is the good will, and to act from a good will is to act from duty with regard to those rules.

Essential to deontological ethics is to identify the rule(s) that hold in this situation and applying this rule to the specific case. Rules can be constructed by application of the Categorical Imperative as formulated by Kant. Though this Categorical Imperative has various formulations, Kant seems to rely primarily on the formulation usually referred to as "The Formula of Universal Law": Act only to that maxim through which you can at the same time will that it should become a universal law" (in: *Grundlegung zur Metaphysik der Sitten*, 421)[59]. This formula does not test actions directly, but indirectly, through the testing of maxims to examine whether they are morally permissible. That is, the intended action can only be undertaken if the principle on which the action is based passes the test of the Categorical Imperative, that is, can be universalized. If it cannot, the action is morally condemnable. According to deontological ethics, maxims basically are the principles on which we act. A maxim is a subjective principle of action, subjective in the sense that is the principle of action of a particular agent at a particular time. In testing a person's maxim, one has to ask first what principle of policy this person was acting on that time. This maxim will reflect what this person was doing and why, and will generally be tied to particular circumstances. The essential question is, whether you consistently have and act on your maxim and will that it be a universal law - a maxim that everyone in similar situations has and acts on. Only if you can, your maxim is permissible (see, for instance, Baron, 1997, 35-36, 69-70, for further discussion of this issue). Essential to the Categorical Imperative, as Baron (1997, 76) puts it, is the idea that it should be possible for all of us to live as equals, and at the same time pursue our own projects. As rational beings, we set and pursue our ends, but we are capable of revising them, and we need to be ready to do so if our pursuit of some end is contingent on other people playing a subordinate role to us. The Kantian ideal is a community in which agency is respected, that is, both honored and fostered, and in which equality is taken very seriously.

From a business ethics perspective, deontological ethics requires that stakeholders be treated as persons and moral ends in themselves. As Bowie, (1999b, 7) puts it:

> "Since human beings have free will and thus are able to act from laws required by reason, Kant believed they have dignity or a value beyond price. Thus, one human being cannot use another simply to satisfy his or her own interests".

Mindful of the second formulation of the Categorical Imperative ("Always treat the humanity in a person as an end and never as a means merely") the principle of respect for people should be considered in the context of business. According to Bowie (1999b, 7, 8), this principle does not prohibit commercial transactions, because no one is used as merely a means in a voluntary economic exchange where both parties benefit. However, this formulation of the Categorical Imperative does put some constraints on the nature of economic transactions and on the way organizations deal with their diversity of stakeholders. Bowie then, proposes to draw a distinction between positive and negative freedom, the latter being freedom from coercion and deception

considered as the most fundamental forms of wrongdoing to others because they violate the conditions of possible assent. Additional requirements can be derived from Kant's view of positive freedom, conceived of as the freedom to develop one's human capacities, more in particular one's rational and moral capacities. In interaction, we must refrain from anything that diminishes or inhibits these uniquely human capacities. For Bowie, this means that treating humanity in a person as an end, and not a means merely, in a business relationship requires two things:

(1) people in a business relationship should not be used, for instance, they should not be coerced or deceived, and

(2) business organizations and business practices should be arranged so that they contribute to the development of human rational and moral capacities, rather than inhibit the development of these capacities.

To be more concrete, this requires open book management and the search ways to reduce the information asymmetry between management and employees to enhance employee self-respect, ethical codes consisting of fair rules expressing respect for the autonomy of stakeholders, including taking care of the conditions for meaningful work, and establishing the firm as a moral community. According to Bowie (1999b, 10; 1999a, 70-71) from a Kantian perspective,

> "meaningful work:
> (1) is freely chosen and provides opportunities for the workers to exercise autonomy on the job;
> (2) supports the autonomy and rationality of human beings: work that lessens autonomy or that undermines rationality is immoral;
> (3) provides a salary sufficient to exercise independence and provide for physical well-being and the satisfaction of some of the worker's desires;
> (4) enables a worker to develop rational capacities;
> (5) does not interfere with a worker's moral development;
> (6) is not paternalistic in the sense of interfering with worker's conception of how she wishes to obtain happiness" (the latter formulation occurs only in Bowie, 1999a, 71).

The latter formulation suggests pointing at a moral climate that does not frustrate workers' morality and possibly even enhances their stage of moral development. From this perspective, Bowie describes the business firm as a moral community, mindful of Kant's third formulation of the Categorical Imperative ("you should act as if you were a member of an ideal kingdom of ends in which you were both subject and sovereign at the same time"). The firm as a moral community reflects the Kantian ideal of a community in which agency is respected, that is, both fostered and honored, and in which equality is taken very seriously. Organizational structures must treat the humanity of persons with dignity and respect (as an end in itself). Moreover, the rules governing an organization must be rules that can be endorsed by everyone in the organization. Exactly this universal endorsement by rational persons is what enables Kant to say that everyone is both subject and sovereign with respect to the rules that govern them. The firm as a moral community would endorse these principles (Bowie, 1999b, 10, see also Bowie, 1999a, 90-96, for a defense of these principles)[60]:

(1) The firm should consider the interests of all the affected stakeholders in any decision it makes.
(2) The firm should have those affected by the firm's rules and policies participate in the determination of those rules and policies before they are implemented.

(3) It should not be the case that for all decisions, the interests of one stakeholder takes priority.
(4) When a situation arises where it appears that the humanity of one set of stakeholders must be sacrificed for the humanity of another set of stakeholders, that decision cannot be made on the grounds that there is a greater number of a stakeholder in one group than in another.
(5) No business rule or practice can be adopted which is inconsistent with the first two formulations of the categorical imperative.
(6) Every profit-making firm has an imperfect (that is, limited, but genuine) duty of beneficence.
(7) Every business firm must establish procedures designed to insure that relations among stakeholders are governed by rules of justice. These rules of justice are to be developed in accordance with principles 1-6 and must receive the endorsement of all stakeholders. They must be principles that can be publicly accepted and thus be objective in a Kantian sense.

The rationale for these principles can be derived from the explanation of deontological ethics provided above[61]. From a Kantian perspective, an organization is viewed as a moral community. By implication, this means that each member of the organization stands in a moral relationship to all the others.
On one hand, Bowie (1999b, 11) argues, the managers of a business firm should respect the humanity in all the persons in the organization. On the other hand, each individual in a business firm, managed as a Kantian community, should view the organization other than purely instrumentally, that is, as merely a means for achieving individual goals. Organizations are created as vehicles of achieving common goals and shared ends. An individual who views the organization purely instrumentally is acting contrary to the "respect for persons" principle[62].

4.3.2 Teleological or consequentialist ethics
In teleological or consequentialist ethics, the common ground is that effects and consequences of acts are taken as point of departure in moral argumentation. The intuitive and plausible idea behind consequentialism is that people should bring about the best consequences while avoiding bad outcomes: always do what would lead to the best outcome overall (Scheffler, 1993, 114). Hence, whether an act is right or wrong depends on whether this act does or does not bring about the best consequences. Consequentialist ethics as an option-focused ethics is relevant to every choice between options, and is not restricted to, for instance, a choice between rules. This form of moral position taking refers to a context of inadequately calculating people pursuing projects that often involve other particular individuals (including the near and dear), based on often non-moralistic, primitive motivations (Snoeyenbos & Humber, 1999, 17; Petit, 1997, 92-102). Since effects can described in terms of desirable goals (telos = goal), an action, aiming at realizing some desired goal, is morally correct if it helps to realize that goal (that is, helps to produce some desirable effects and consequences, or helps to avoid undesired effects), better than or at least as good as any other alternative action. In teleological ethics, those actions are morally correct that produce the maximum amount of happiness, well-being, joy, and pleasure, utility or benefit for as many people as possible, or as little as possible unhappiness, unwell-being, pain and disease, or uselessness for as few as possible people.
In general, when someone engages in teleological moral decision-making, the following steps must be taken (Snoeyenbos & Humber, 1999, 17, 19):
(1) Set out all the relative alternative acts that are open to that person.

(2) List all the individuals (and groups) who will be affected by the alternative courses of action, including that person if affected (consequentialism does not imply pure altruism).
(3) Assess how the individuals (and groups) will be affected by the alternative acts, computing the balance of benefit or harm for each individual (and group) affected by each act.
(4) Choose the act that maximizes (for instance) utility, for instance, by asking which results leads to the greatest total of benefit or harm.

These formulations indicate not only that *pragmatic argumentation* as described above lies at the heart of any edition of teleological ethic. They also show a range of possible variations, depending on the *direction* of the moral claim, the *moral horizon*, *type of decision-making criterion*, and the *model of combination* used in moral deliberation.

- The direction of the moral claim can either be positive or negative (aiming at promoting the good or at keeping away from or preventing the bad).
- The moral horizon concerns the type and number of people involved in the effects of a certain moral decision, ranging from myself by opportunistically maximizing self-interest (ethical egoism) to all actual and possible persons and groups involved (utilitarianism). It includes the dear and near, shareholders, customer groups, the team, suppliers, the world at large, people expected to exist in the near or far future, the ecological environment, the extremely rare purple-eyed black roepie-roepie, and so on[63]. In this vein, consequentialist ethics is much in line with *stakeholder theory*, when consequences of actions for all types of stakeholders are taken into consideration in utility calculations.
- The type of decision-making criterion is the point of view from which effects are evaluated, pleasure and pain (hedonism)[64], wellbeing and sorrow, happiness and unhappiness, utility and uselessness.
- Inherent to consequentialism is the element of time. Not only short-term benefit-to-harm ratios are considered, long-term consequences need also be calculated. This requirement is consistent with good business practices, since research and capital expenditures are aimed at long-term benefits (Snoeyenbos & Humber, 1999, 19).
- Since teleological ethics does not mean maximizing total benefits of an act, but maximizing utility (when compared to its alternatives), the decision-making model that is used to weigh outcomes bears relevance. In fact, in teleological moral decision-making in its various stripes, one can choose from three models (Ivancevich, 1977, 392-394; Pitz, 406, 407, 410):

(1) In a *compensatory* model, high value on one criterion can offset low value on another criterion (bad-making characteristics of consequences can be compensated by good-making characteristics)
(2) In a *conjunctive* model, minimally accepted levels must be achieved on all criteria (bad-making characteristics of consequences are not accepted; good-making characteristics are not accepted as compensation for bad-making characteristics of consequences)
(3) In a *disjunctive* model, high value on any of the criteria is acceptable (any other information about good-making or bad-making characteristics of consequences is considered irrelevant and ignored).

Within teleological ethics, many subcategories and diverging positions exist, most important of which are *act-utilitarian* ethics and *rule-utilitarian* ethics. The former considers the rightness or

wrongness of separate act by judging its consequences in a sophisticated cost-benefit analysis while choosing the alternative as morally most preferable with the highest positive score, the lowest negative score, or the highest average score (as described above)[65]. The latter considers rightness or wrongness of an act by the effects of honoring moral principles or following moral rules, thus in a certain way bridging teleological ethics and deontological ethics. When better outcomes that are (more just) are expected, rules can be adapted or new rules introduced. Several versions of rule-utilitarianism occur, one of which reads that an act A in circumstance C is morally right, if and only if the utility of everyone acting according to the rule "If you are in C, then do A" is at least as great as the utility of everyone acting according to any alternative rule applicable to C. In fact, the essence of rule-utilitarianism is to introduce and adhere to those moral rules that have the most positive contribution to human welfare and wellbeing, or those moral rules that have as few as possible negative effects when compared to the positive outcomes. Another, more recent, version of rule-utilitarianism focuses on the utilities of entire moral codes, instead of focusing on the utilities of individual rules (Smart, 1983, 9, 42; Snoeyenbos & Humber, 1999, 27)[66].
In any fashion, rule-utilitarianism can be used as supplementary to deontological ethics, for instance in the case of several conflicting moral rules, moral principles, or entire moral codes. These rules are considered with regard to their effects when followed, to facilitate a rational choice between alternatives. Thus, it is even possible to conceive rule-utilitarianism as a compromise between act-utilitarianism and deontological ethics. The focus on rules introduces a deontological element, while the focus on the effects of following rules brings in a consequentialist element, if possible based on an impartial and objective consideration and balancing of the effects on all people and parties involved.

In sum, according to Van Luijk (1993, 144) it is the essence of the common teleological approach of ethics that it is one's duty to choose that calculated course of action that, in its consequences, promotes the greatest aggregated wellbeing for all persons and parties involved. This can be done by determining the effects of courses of action (for singular acts), relevant rules (in the case of rule-utilitarian ethics), decision-making criteria, moral horizon, model of combination, and, of course, the estimation of desired and undesired effects (probability of occurrence, seriousness, and duration of consequences).

(-) Intermezzo
The question is, how other ethical theories - value ethics and virtue ethics - can be classified when confronted with deontological and teleological ethical theory, as in Broad's distinction. Vallentyne (1987, 29-31), suggesting that the classification in deontological and teleological ethics might not be the most fundamental classification, puts forward an alternative, even more fundamental classification. Vallentyne distinguishes theories that make the right depend solely on considerations of goodness and those that do not, and discusses the axiological/deontological distinction and four teleological/non-teleological distinctions. In doing so, the author argues that even none of these distinctions is *the* fundamental classificatory distinction, because the very presupposition that there is a unique fundamental distinction is false. Instead, there rather are

several fundamental distinctions, of which the axiological/deontological distinction is significantly more important than any other distinction (1987, 29). However, Vallentyne assumes that the importance of a distinction is relative to a set of interests and purposes, for instance, the assessment of moral theories. The importance of a distinction relative to these interests is determined by something like the usefulness of the role it plays, or would play on reflection, in the criticism and justification of moral theories. Vallentyne's first question, then, is that of whether there is a unique fundamental classification, for instance a distinction that is significantly more important than any other. In order to answer this question, according to Vallentyne, we need to determine whether there is a feature, the presence or absence of which is, relative to our interests in the assessment of moral theories, significantly more important than the presence or absence of any other feature. By implication, this means that, since there are more interests, there is no definite fundamental classification, and therefore, any classification is questionable from any other perspective. In the case of moral climate theories, the guiding interest concerns foremost the identification of current and common structures of moral reasoning that are fundamental to these moral climate theories.

When looking at the types of justification that can be given to moral claims as discussed above, two main types of ethical theories can be distinguished when considering their underlying argumentation structures. Surprisingly, perhaps (because of its terminology), one type of theories consists of *theories of obligation*, including both deontological and teleological theory. These theories are called theories of obligation exactly because they point at the obligation to act in a well-described way. Essential to deontological theories is the obligation to comply with the rules, whereas teleological theories also imply the utmost fundamental decision rule to choose that act (or rule) with the maximum amount of pleasure, well-being, joy , or benefit (or the minimum amount of pain, discomfort, and so on, as described above). The other type of theories consists of *theories of valuation*, having at their core moral qualities of acts, persons, and institutions (in fact, perfectionist ethics). These theories of valuation include both axiological or value ethics and aretaic (or virtue) ethics, as two distinct versions of moral argumentation based on rules of value.

4.3.3 Axiological or value ethics

Central to axiological or value ethics are moral values (such as justice, respect, integrity, honesty). The term axiological ethics, introduced by Urban in 1906 in his study *Valuation: Its Nature and Laws*, refers to ultimately valuable or ultimately contra-valuable affairs. In the Twenties and Thirties of the Twentieth century, axiological ethics gained popularity (leading to a number of publications of, for instance, Hartmann, Ross, Scheler, and Moore). After a flaw in interest, in more recent years value-ethics regained popularity (see, for instance, Findlay, 1970; Halman, 1991; Kmieciak, 1976; Nadjer, 1975: Rescher, 1975; Rokeach, 1973, and especially *The Journal of Value Inquiry*). This renewed concern was based on the assumption that it is difficult to discuss moral issues concerning life and death, happiness and misfortune, virtue and vice, knowledge and ignorance without more fundamental notions concerning the good and the evil, the perfect and the imperfect, the noble and the pernicious, the desirable and the undesirable, the excellent and the trivial.

Actions, policies (understood as a body of intended actions), regulations, and institutions are

morally right when they are aimed at the realization of one or more moral values and morally wrong when they hinder or obstruct the realization of these moral values. As Pettit (1997, 124) puts it, the fundamental assumption about rightness in value ethics is that a right option does better than a wrong option in regard to acknowledged values such as fairness or honesty. The right option is the option that best coheres with the values that are relevant in the situation on hand.

Moral claims are justified in terms of an argumentation based on *rules of value*, or as Taylor (1961) labels it, evaluation according to standards. Something (an action, a policy, a regulation, an institution) is morally good/valuable if it satisfies criteria of valuation, that is, when it realizes values x_1 - x_n.

(a) When an A has property P (conceived as the embodiment of value X), judgment J over A is justified.
A has property P.
Therefore, judgment J over A is justified.

(b) When an A fails to have property P (conceived as the embodiment of value X), judgment J over A is not justified.
A fails to have property P.
Therefore, judgment J over A is not justified.

In moral argumentation based on rules of values, the value of something is assessed in the perspective of one or more moral values. Property $P_{1\text{-}n}$ are the good making or bad making characteristics of the A under moral examination. Moral evaluation means connecting facts concerning an evaluatum A to criteria of evaluation, in order to conclude whether this evaluatum is good or bad, or better or worse than comparable evaluata. This last sentence mentions two forms of evaluation: *grading* (assessing the degree to which an evaluation meets the criteria) and *ranking* (assessing whether an evaluatum meets the criteria better or not better than comparable evaluata) (Taylor, 1961, 5-9, 33-41, 43-47). In an evaluation process or grading, indications such as 'good' and 'bad', 'desirable' or 'undesirable', 'valuable' or 'not valuable' are used, while ranking involves indications such as 'better or worse than', 'more or less desirable than', 'more or less valuable than'.
In axiological ethics, several issues are at stake, most of which have to do with the terminological jungle axiological ethics suffers from, concerning both the definition of value and the definitions of specific values. A serious problem in value ethics is the level of generality, abstractness, and indefiniteness of specific values that makes them dubious moral signposts ('mom and apple pie concepts', denied by nobody), as is well known for the values justice and respect. However, even when defined appropriately, since values may be competing, a property P of an evaluatum A can be good making from the perspective of moral value X, and bad making from the perspective of moral value Y. Another important issue in axiological ethics concerns the relation between and the ranking of all those values constituting the 'firmament of values'. For instance, spiritual values outweigh material values. Freedom and justice are considered more important than wellbeing, safety, and health, while these values on their turn are put above maximizing profits. Is an

objective ranking of values possible? If so, on what grounds (De Graaf, 1974, 34; Hollak, 1976/1977)? Yet, as we shall see below, post-conventional morality cannot operate without these ultimate moral principles. In fact, post-conventional morality is the eternal effort to make more appropriate (that is, more moral) operationalizations of these moral principles, notably justice, as in Kohlberg's theory, drawing on Rawls's *A Theory of Justice* (Colby & Kohlberg, 1987a, 11).

In business ethics literature, values have been recognized as essential to good business. These values include both non-moral values and moral values. Non-moral values with balance sheet value include customer orientation, carefulness and precision, work ethics, reputation, excellent quality of products and services, achievement orientation, corporate culture characterized by unanimity and psychological safety[67]. Moral values include responsibility of purpose - reflecting the organization's obligation to serve the larger human community with pride -, responsibility to constituencies, honesty, reliability, fairness, integrity, respect for individuals, and respects for property (as advocated by the Woodstock Theological Center in their monograph *Creating and Maintaining an Ethical Corporate Climate*, 1990, briefly discussed in chapter 5).

4.3.4 Aretaic or virtue ethics

Aretaic or virtue ethics is a form of moral position taking gaining renewed attention during the past forty years (in publications of, for instance, Anscombe, Foot, McIntyre, Slote, Williams). As described by Louden (1998, 491), virtue ethics was first articulated as an explicit project within Anglo-American philosophy in the late 1950s and was developed in explicit opposition to modern deontological and teleological approaches that did not grant sufficient weight to the importance of character judgments in ethics. At the same time, it is also true that a general virtue ethics perspective represented the dominant outlook in both western and eastern schools of moral thought from Plato, Aristotle, Thomas Aquinas, and Confucius until the Enlightenment. According to Nussbaum (1999, 170), the common ground in virtue ethics lies in three claims:

A. Moral philosophy should be concerned with the agent, as well as with choice and action.
B. Moral philosophy should therefore concern itself with motive and intention, emotion and desire: in general, with the character of the inner moral life, and with settled patterns of motive, emotion, and reasoning that lead us to call someone a person of a certain sort (courageous, generous, moderate, just, et cetera).
C. Moral philosophy should focus not only on isolated acts of choice, but also, and more importantly, on the whole course of the agent's moral life, its patterns of commitment, conduct, and also passion.

In line with C, there is the tendency to moral virtuosity and excellence , a virtue being the personal quality to conduct a certain praxis in a morally excellent or at least optimalized way. In this vein, virtue ethics is a perfectionist ethics (Van Tongeren, 2004, 11, 22, 26, 49). This common ground is resonated in many works concerning virtue ethics. For instance, in the second volume of his *"Types of Ethical Theory",* Martineau (1898, 24) stressed inner motives of agents rather than their outwardly observable actions as the fundamental objects of moral evaluation. What should be judged in ethics is always the inner spring of an action as distinguished from its outward operation. On this view, the moral value of the inner motives of the agent is what

determines whether s/he is a morally good person, and right action is then defined in terms of the choices a morally good person would make (Louden, 1998, 495).
As virtue ethics takes root as a reaction against the underlying assumptions of both deontological and teleological ethics, one can view virtue ethics as having two complementary aspects. The first aspect is a critical program presenting a critique of the prevailing assumptions, methods, and aspirations of normative deontological and teleological moral theories, whereas the second aspect is a constructive program in which an alternative virtue-oriented normative moral conception is developed and defended. In this overview, we will restrict us to moderate virtue ethics that considers virtue ethics as perhaps not so much as a common factor (Nussbaum, 1999), but at least a complement to deontological and teleological ethics, instead of a radical alternative (Solomon, 1999, 30). This moderate version insists only that that other forms of moral position taking leave something essential out of the account of moral life, and virtue ethics will supply this. The radical version, on the other hand, insists that other forms of moral position taking are all wrong, their vocabulary of goodness and rightness being misleading. Since this radical version seems hardly defendable, we will confine us here to the moderate version of virtue ethics.
In virtue ethics considered as a strategy of moral justification, the moral qualities of the actor are emphasized, more in particular the quality of the actor's inner life and character, attitude, dispositions, motives and intentions, rather than the rightness or wrongness of external acts and/or consequences of acts. Virtue ethics is about what kind of person one should be or wants to be, especially with respect to moral qualities, while asking the question: What makes someone a good person? These moral qualities (inner traits, motives) determine whether certain acts are morally right or wrong. Virtues are those moral qualities (such as justice, honesty, respect, conceived as character traits or dispositions) that make someone a good person, that is, someone who can recognize the good and is disposed or inclined to carry out good actions: doing the right thing for the right reasons. These qualities reveal a person's positive inclination, and the lack of it, of course, reveals a person's wicked nature. Virtues differ in their moral horizon, and can be self-benefiting, other-benefiting, and human-kind-benefiting (Slote, 1997, 202). No matter the direction, one could say that virtues are values transformed into internalized character traits.

Just as in value ethics, moral claims are justified in terms of an argumentation based on rules of value (that is, evaluation according to standards). A person's action is morally good/valuable if it results from valuable intentions, motivations, and attitudes, put briefly, being of goodwill (Van Tongeren, 2004, 63, 79). Someone is a good person to the degree s/he has moral virtues, dispositions x_1 - x_n to act in a morally valuable way that satisfies criteria of valuation, that is, when it meets values x_1 - x_n.

(a) When an action A of person P stems from moral disposition D (conceived as P's personal transformation or internalization of value X), judgment J over (the action A of) person P is justified.
Person A has moral disposition D.
Therefore, judgment J over (action A of) person A is justified.

(b) When an action A of person P does not stem from moral disposition D (conceived as P's personal transformation or internalization of value X), judgment J over (the action of) person P is not justified.
Person P fails to have moral disposition D.

Therefore, judgment J over (action A of) person P is not justified.

An important question concerns the ontological status of moral virtues and moral vices. Virtues are desired personal qualities with a more or less stable and permanent, yet mostly latent character, open to influence by the actor and others, and to be expressed in actions (though not always in the same manner).

1. Virtues express a value, something that is worth pursuing; for this reason, virtue ethics is a form of valuation ethics.
2. Virtues are capacities relevant for moral action, not of an incidental kind, but permanent and foundational for any action of the actor.
3. Virtues are dispositions, abilities to be activated in morally hazardous situations. Because someone possesses certain virtues, this person can be expected to show certain behaviors, and can be expected to refrain from other behaviors.
4. People can influence their virtues, and virtues can be fostered and cultivated to some degree, during in a process of character-formation.

Just as values, virtues are not context-independent but, at least to some degree, historically variant. In these distinctions, intrinsic (moral) virtues and instrumental virtues are not conceptually separated yet[68].

> Plato distinguished four cardinal main virtues, wisdom, courage, moderateness, and justice. Many centuries later, Thomas Aquinas distinguished seven main virtues, among which three divine virtues originating from Christian tradition (belief, hope, and love), and the four natural virtues (prudence, strength, moderateness, and justice). In the famous frescoes concerning good and bad administration in the *Sala dei Nova* in Siena, painted by Ambrogio Lorenzetti (1295-1348), virtues outweigh vices. Vices include tyranny, vanity, greed, pride, cruelty, treason, deceit, fury, discord, and war, as opposed to the virtues: justice (both distributive and commutative), wisdom, harmony, peace, fortitude, courage, prudence, temperance, magnanimity, faith, hope, and love (Peeters, 1996, 20-25). In later times, several attempts were made to arrange these virtues into a more or less complex hierarchy or genealogy (for instance, a ladder of virtues) with divisions, subdivisions, connections, derivations and consequences, modifications (shifts of meaning, for instance, concerning prudence, humility, wisdom), and "new" virtues (authenticity, intimacy, mercifulness, generosity, forgiveness, diligence, tolerance, sustainability), though mostly with justice being dominant (Peeters, 1996, 28, 32, 42-43, 48; Van Tongeren, 2004, 69-77, 82, 129, 133).

The historical and contextual perspective on moral virtues asks us to reconsider the importance of our current virtues. Some virtues, such as solidarity, seem to have become outmoded, while other virtues, such as autonomy in its most egoistic fashion seems to gain immense worldwide popularity. In this vein, virtue ethics should be considered contextually. That is, it should be examined what kinds of people are produced by social policies and institutional arrangements on both organizational and societal level. Are the moral characters of citizens living within a given society or under a specified set of institutions and policies morally admirable or not, and to what extent can we causally track their characters back to the social and political environments in which they live, including organizational moral climates (Louden, 1998, 496)?

What counts as a virtue depends on the nature of the society in which it is embedded. In this respect, Japan, the United States of America, Sweden, Poland, Italy, Myanmar, or Nigeria may differ widely. This raises the question, whether all virtues are relative to the values and customs of a given society at a particular point in time, or whether there are at least some non-relative virtues

that are essential to all societies. Solomon (1999, 37) is determined about this issue:

> "Those aspects of society, which are necessarily shared - for example, the need to cooperate and live together, the need to supply the members of society with the necessities of life, the need to protect the society against foreign intruders, the need for dependable communication within society - all of this would suggest that, indeed, there must be such non-relative virtues, although, to be sure, with local variations and interpretations, such as courage, honesty, generosity, and congeniality."

Considering virtue ethics in a business context, one might ask for the general virtues counting in those practices, such as trustworthiness and cooperation, considered essential to any form of market or non-market society. From this perspective, Solomon (1999, 31) confronts virtues emphasized by Aristotle with virtues stressed by Nietzsche. Contrary to Aristotle, who insisted that the virtues are those traits that help us to get along and be congenial with one another, Nietzsche emphasized solitary, artistic, and (at least in his metaphors) warrior-like virtues, such as independence, creativity and risk-taking. According to Solomon (1999, 31), in business ethics we can recognize this contrast in terms of the difference between the good corporate citizen and the entrepreneur. Perhaps, a person could have both sets of virtues, but this seems a matter of some controversy. Aristotle defended a thesis often called "the unity of the virtues": the various virtues support and reinforce one another, and do not come into conflict. That is, the good person possesses them all. However, Nietzsche argued that all people have their own unique virtues, these virtues often being at war with one another. As Solomon concludes (1999, 31), in Aristotle, the overriding image is of one living in harmony, while in Nietzsche, the image is rather one of individual assertiveness. In sum, they provide us with two very different pictures of the virtues, reminding us that agreement on the importance of virtues is by no means an agreement on what are to count as the virtues. Some ethicists are interested in the most general virtues, those virtues that make all human activities, and harmonious human society, possible. In this vein, according to Solomon (1999, 33) one might think of society as a grand set of social practices, and the virtues, most generally, as those traits which, at their least, make the society civilized and workable and, at their best, make those who are virtuous and, perhaps, the society itself exemplary. "The virtues" refer to the general, non-specific social practices (practice being defined as a shared cooperative activity with mutually understood goals and ways of doing things). Thus, Solomon (1999, 33) continues, trustworthiness and honesty are considered general virtues, because they are crucial to almost any human interchange. However, how about the virtues of business, as, for instance are articulated by Covey (1989) in his management classic "The Seven Habits of Highly Effective People"? Insofar as business ethics is destructive, or incompatible with community, they will appear not to be virtues al all. However, insofar as business virtues are conducive to community, they will turn out to be very important social virtues. In business as a specific practice, Solomon (1999, 34) expects to find special virtues, that is, for instance, special versions of honesty, courage, temperance, and justice:

> "Honesty, for example, would be most important in the making and drafting of agreements, whether they had to do with hiring and treatment of employees or dealing with customers or other companies. A special concern, of course, is advertising. Telling "the whole truth and nothing but the truth" ("our product isn't significantly different from its competitors, but we have our own attractive label on it") would be foolish. Lying, on the other hand, is unacceptable,

> and the ethical and practical challenge is finding the "mean" between imprudent truth telling and prevarication. What is special to virtue ethics is not, however, the search for a general criterion for proper honesty. It has rather to do with the motives and the habits of the person, whether he or she thinks of the fairness of the situation, what information is appropriate to the relationship and the occasion, and "what an honest person would do".
>
> So, too, courage, in business situations, takes on a number of forms, ranging from a willingness to assume risk (time, money, trust, HB) to the special virtue of "moral courage", being willing to take a stand, even when there are serious threats to one's job, one's prospects, or one's career. Temperance in business refers to one thing above all, and this is having a reasonable set of expectations and desires. The opposite, the virtue's corresponding vice, is greed (or avarice). Not being greedy (to put it negatively) is, perhaps, first and perhaps foremost among the business virtues. Typically, it is because of greed that people cheat, lie and act unfairly. With more reasonable demands and desires, the limits imposed by the other virtues come more clearly into focus.
>
> Finally, justice is an especially complex virtue in business ethics, in part because of the complexity of the markets. One the one hand, justice depends on merit: hard work, quality products and good ideas, taking care of customers. (…) On the other hand, we recognize that the market has a good deal to do with luck, and hard work is not always rewarded. Again, justice is a virtue not to be conflated with that general philosophical search for abstract principles and policies (as in axiological ethics, HB). Aristotle saw quite clearly, for instance, that prior to adapting such principles and policies, a person must have a "sense" of justice and the desire to be just."

Some business virtues, as Solomon (35) continues his discussion, are easily misunderstood:

> "The much celebrated virtue of "toughness", for example, is often conflated with ruthlessness, or with stubbornness, or with general hard-headedness. As a business virtue, however, toughness makes sense and is successful only within a context more broadly defined by cooperation and congeniality. (…)
>
> Generosity is a virtue that is often denied to business, on the (false) theory that business people tend (more than most) to hold onto their money and ask, "What do I receive in return?" In fact, business people in general tend to be very generous, both as individuals and as members of corporations. Indeed, the overwhelming success of business in the modern world has meant that the ancient concept of noblesse oblige – the obligations of the nobility (here, the wealthy) – has passed onto the corporate world. Those who have are expected to give, in short, and give they do. Generosity, although not, perhaps, to the detriment of profits, has become a business virtue."

In short, we can speak of business virtues, so long, of course, as they do not seriously undermine even more basic virtues that are required to participate properly in a decent society. In the meantime, one might ask whether the not-for-profit sector demands other virtues than the business virtues presented above, or, perhaps, other versions of these virtues. Though both historically and contextually variant, (business) virtues (and, of course, vices) are important moral concepts. Considering all this, virtue ethics offers us an important strategy for moral justification.

4.3.5 The moral horizon and the ethical dimension combined

In the previous sections, we have explored the sociological dimension – defined in terms of moral horizon – and the ethical dimension, explained in terms of four main strategies of moral position taking or moral justification strategies, axiological, virtue ethics, deontological, and teleological ethics, respectively.

With some prudence, the above can – by way of an intermediate stop - be summarized in a scheme combining both dimensions to serve ultimately as a touchstone for both the construction and evaluation of moral climate concepts and typologies. The element of prudence is prompted by the complication that each form of moral position taking has a specific meaning within each level of moral horizon:

- From an axiological perspective, values can be emergent in moral horizon, any locus of analysis, or breath of constituency, that is, be more or less local or universal. Values can be those of an individual person, a group, an organizational unit, or an entire organization, but can also be universalizable as are the ISCT hypernorms (to be discussed hereafter). In short, one can ask what social system the values are of.
- Virtues differ also in their moral horizon, and can be self-benefiting, other-benefiting, and human-kind-benefiting (Slote, 1997, 202), when looking at their direction. Virtues can also be specific to some social system within a moral horizon (personal virtues, organizational virtues, citizenship virtues, supererogatory virtues of saints and heroes…).
- From a deontological perspective, rules can be rules of different social systems, ranging from personal rules via group rules, organizational rules, and nationwide rules to universal rules.
- Finally, from a teleological perspective, one can consider the specific breadth of the persons, groups, or social system whose interests are at stake and included or excluded in moral argumentation (as is spelled out in stakeholder theory).

ethical dimension → moral horizon ↓	Axiological ethics	Aretaic ethics	Deontological ethics	Teleological ethics
individual				
dyad				
formal group/team				
informal group or clique				
unit/department				
neighborhood				
organization				
local community				
concern				
industry/production-distribution chains				
consumer groups				
professional associations				
society at large				
supranational organizations				
global community				
future generations of mankind				

Although integrative perspectives such as contractarian ethics could have been put into the scheme, they are not included because the scheme is meant to consist of "pure" strategies of moral argumentation only. An academic question, of course, can be whether an integrative perspective constitutes a marked off strategy of moral position taking. Instead of answering this question, we will address a more encompassing question, about the mutual relations among

strategies of moral justification (with an integrating perspective being as one the possible forms of relationship). Although this question seems to bring us far from moral climate theory, essentially it is a necessary preparation for discussing the evaluative issue: on what grounds can moral climate types or profiles deserve our approval?

4.3.6 Moral strategies and their relationships

An essential question concerns the relationship(s) between the various types of strategies of moral justification discussed above. Do these strategies (and the ethical theories that lie behind) represent different conceptions of morality and the moral domain, or do they focus on and elucidate certain aspects of morality, while disregarding other aspects? When made absolute, focusing upon certain aspects of morality can indeed lead to different conceptions of morality with the possibility of incommensurability and communication breakdowns. Put logically, these forms of moral argumentation can have different types of relationships:

1. Strategies of moral argumentation can be *independent* and thus mutual exclusive, each having its own domain of application, and each constructing its own image and ideal of morality, thus delineating its own moral issues, leading to incomparability and incommensurability.
2. Strategies of moral argumentation can be *complementary*, each throwing its own idiosyncratic, yet one-sided and thus incomplete light on moral issues, but when taken together offering a comprehensive account of morality.
3. A third option, reaching even further, conceives strategies of moral argumentation as stemming from a unitary source of morality that manifests itself in different argumentation strategies that can be *reintegrated* into the original image and ideal of morality.
4. A fourth option puts these strategies into a *developmental* sequence, with some supposed final stage representing the ultimate ideal of morality.

In fact, apart from ontological issues, the consideration of relationship between strategies of moral justification offers the possibility of raising mutual evaluative questions (to be examined below), and thus, evaluative questions with regard to the assessment of moral climates (to be discussed below as well).

In the discussion of the relationship, the possible integrative function of social contract ethics will be considered briefly. Social contract ethics have been left out of our discussion of moral justification strategies, since it offers us no new perspectives from the perspective of moral argumentation, apart from offering specific procedures to conduct principled moral argumentation. Rather, social contract ethics is an inventive combination of the moral strategies already described: new moral rules are constructed to realize ethical values and moral principles in a better way by looking at the consequences of actions when carried out or of rules put into operation, and by demanding moral virtues for proper motivation. As I see it, contractarian ethics is on par with the integrative position of post-conventional morality (see below). Let us consider the four options mentioned more closely.

(1) Moral strategies are independent and issue-related

Strategies of moral argumentation can be considered as different, parallel, and mutually independent moral languages, possibly each with its own domain of application, that is, a

contextually determined type of decision-making situation concerning tasks and assignments. Van Luijk (1983, 58-65; 146; 199-216) puts forward that each strategy of moral argumentation has its own moral legitimacy that can be damaged when organizational behavior does not meet the moral expectations. Each form of moral position taking can essentially clarify situations of moral decision-making.

- One might consider *axiological* ethics the alpha and omega of ethics, since any moral argumentation ultimately refers to moral values, other types of ethics being no less or no more than derivatives of axiological ethics designed for practical use. Axiological ethics itself may be may be used as broad categories in general discussions about ultimate goals and principles concerning the good life of people living together this world. Non-governmental organizations are assumed to be guided by moral values to realize their tasks and assignments.
- It is understood that a *deontological* approach is to be preferred in those situations in which essential rights and claims of traceable individuals and/or groups are at stake, as so-called blocked exchanges (Andre, 1992). Civil rights and consumer rights of individuals of groups cannot be put aside simply, when the protection of these rights might turn out to be too expensive. Rights are indefeasible (which does not imply that rights are fixed forever, as shows, for instance, the case of the Dutch Disablement Insurance Act). Governmental organizations, such as the police force, health care or educational organizations that have the task to implement laws may be expected to have a deontological orientation.
- A *teleological* or *consequentialist* approach seems to be more appropriate in those situations in which organizational interests (output, return of investment, survival, and viability), the public interest in general, or the well-being of larger anonymous groups or of society at large is at stake. (This is, for instance, the case in the argumentation concerning the expansion and development of Schiphol Airport). It could also be more appropriate in situations when opposing rules or rights of individuals or groups balance each other so that consequences are the deciding factors (as becomes apparent in rule-utilitarian decision-making). As one might expect, many managers adopt consequentialist stances when targets set by the organization are considered leading or even sacrosanct.
- *Aretaic* or *virtue* ethics also claims a position as a distinctive, free-standing theory of ethics because of its focus on the virtuous individual and on those inner traits, dispositions, and motives that qualify this individual as being virtuous (Slote, 1997, 177). In this sense, aretaic ethics can be said to be *agent-focused* instead of *action-focused*. Furthermore, an ethics of virtue (thus) primarily thinks in terms of what is noble or ignoble, admirable or deplorable, good or bad, rather than in terms of what is obligatory, permissible, or wrong. A more radical kind of virtue ethics, as Slote (1997, 178) puts it, would say that the ethical character of actions is not independent of how and why and by whom actions are done. Rather, what is independent and fundamental, is our understanding and evaluation of human motives and habits, and the evaluation of actions is entirely derivative from and dependent of what we have to say ethically about (the inner life of) agents who perform those actions (agent-based instead of agent-focused). Organizations committing themselves to practices of corporate social responsibility may also need the accompanying virtues to make these practices trustworthy. In the next section, we will further explore the possibility of connecting strategies of moral argumentation to institutional fields and

their dominant tasks and assignments.

In a strong sense, that is, when taken narrow-mindedly, these different moral languages might lead to difficulties in communication because of their alleged incommensurability. This position is advocated by, for instance, Gracely (1996, 327, 328), arguing that,

> "…in general, different ethical frameworks see the ethical world in fundamental different ways, rendering the comparison of degrees of support and opposition of actions between systems intrinsically invalid".

It is part of the very nature of a moral system that it presents a way of viewing reality. The differing visions of different systems cannot be directly compared. Instead, Gracely continues, "one should choose to act in accord with the most defensible system". One might ask, of course, on what grounds and with what criteria Gracely decides about this most defensible system. One might also be curious about what these ways of viewing reality exactly are, and what makes them incommensurable and hence, incomparable. Unfortunately, Gracely does not help us along much further at this point. The question however, is whether strategies of moral argumentation a really incommensurable. Originally, Kuhn, being the instigator of the idea incommensurability, considered paradigms as mutually exclusive with different vocabularies concerning ontology, epistemology, and methodology. However, in later revisions, Kuhn (1990, 300) admitted that anything that can be said in one language can, with sufficient imagination and effort, be understood by a speaker of another. Therefore, there is no reason to adhere to a strong version of incommensurability and reconcile us to separate and parallel views on morality. Apart from this, if incommensurability implies the impossibility of meaningful communication about ethical issues, how would we be able to delineate differences at all? In sum, Treviño and Weaver (2003, 48-49) suggest, that the term incommensurability is used in a loose and imprecise sense. The whole issue can be considered from another perspective, when these different worldviews in fact turn out to be about different, possibly complementary aspects of a larger picture of morality.

(2) Moral strategies are complementary

The occurrence of these different moral languages does not have to lead to a total breakdown in moral communication. Instead, they can be conceived as complementary (as is, for instance, the starting point of moderate virtue ethics), and some further rules of combined application can be given in order to realize a more comprehensive account of moral decision-making (as does contractarian ethics, to be discussed hereafter). When a situation indicates that both a deontological and a teleological approach are appropriate, both approaches need to be followed to examine whether they enforce each other in their outcome, or lead to conflicting courses of action (1). Furthermore, when these approaches lead to irreconcilable outcomes, the rule of thumb is that deontological outcomes of moral decision-making processes should be favored, unless it can be demonstrated with new arguments why in this particular case a teleological approach should be preferred (2). The general principle behind this rule of thumb is that traceable individual rights should outweigh advantages and disadvantages canceling out each other (please note, that at this point a teleological strategy of argumentation is used to establish a deontic principle).

When strategies of moral justification are considered complementary, from the perspective of

each strategy of moral justification evaluative questions can be raised with regard to the other perspectives. This line of thought presupposes some general agreement of central terms, such as "right" and some widely shared beliefs about rightness[69].

- At the heart of *axiological* ethics lie moral values to be promoted and practiced. Of course, one might raise serious *meta-ethical* questions about the ontological and epistemological status of values. What are values and where do they come from? Are values general and universally valid? That is, are they not relative and context-free, or is it useful to differentiate between (historically and contextually bound) personal and social values, and terminal and instrumental values[70]? Which values exist and (how) are they related? Is there some sort of hierarchy in a vast firmament of values, with an ultimate value with generally recognized and accepted priority (for instance, autonomy, justice, or happiness) (see for a discussion of these issues, Hollak, 1976/1977)? Can values develop, or become irrelevant? Can new values arise? Are values located in people's heads or do they have some supra-personal existence? In the latter case: how can values be perceived, felt, or recognized? Can values be transferred or taught?
  When considered from an *aretaic* perspective, these moral values may appear external to the person, and need to be perceived, internalized, and integrated into the actor's character to be effective.
  From a *deontological* perspective, moral values to be effective guidelines need translation into clear moral rules that unambiguously direct human action, that is, prescribe, permit, or forbid what one should (not) do.
  When evaluated from a *consequentialist* (teleological) perspective, these values when thought of as ultimate ends (as desirable consequences) are very broad categories in need of specification for everyday use (as was indicated above). Moreover, even conflicting courses of action can both be justified by appealing to the same value. For instance, one can help someone with personal troubles out of respect. One can also decide not to interfere with someone's personal troubles, out of respect, too. In both cases, the intended effects of the situated action are too unspecified for making a proper choice.

- As was mentioned above, *aretaic* ethics essentially evaluates human actions from independent and fundamental aretaic characterizations of the inner traits or motives of individuals or of the individuals themselves. One major objection levied against virtue ethics, according to Louden (1998, 491, 497) is that its strong agent perspective might prevent it from giving us sufficiently specific advice about what we ought to do, since virtues as inner states and dispositions are mostly of very general description. For instance, what does a person with integrity do in particular situations? In this vein, a virtue ethics perspective would not seem to have much to offer to applied ethics and casuistry.
  However, more general difficulties and possible objections can be raised from both a philosophical and a psychological perspective. From a *philosophical* perspective, one might ask several questions (Louden, 1998, 493-494). What counts as a virtue? Is there any plausible way to distinguish between moral and non-moral virtues? How exactly do virtues relate to actions, reasons, beliefs, principles, rules, desires, and emotions? Are virtues beneficial to

their possessors, and, if so, are they too self-centered to count as moral traits? How can virtues be justified, that is, how can we establish the validity of those character traits defined as moral virtues, once the option of appealing to the value of the facts and/or consequences that the virtues tend to encourage is ruled out as a justification strategy? How do virtues relate to one another in real life? Is there anything to the ancient "unity of virtues" thesis (which, on the Aristotelian model, views phronêsis or practical wisdom as generating and uniting all of the moral virtues), or does it make sense to hold that a person might possess one moral virtue, yet lacking others? How many moral virtues are there? Are some moral virtues more fundamental than other virtues are? Can virtues be ranked in order of importance (in the way that values can be ranked)?

When virtues are nothing more or less than cultivated responses and actions that may, at the time, require no deliberation whatsoever, one might ask whether virtue ethics can in fact be considered a strategy of moral justification. One might hold that deontology and teleology seem to require some form of moral deliberation, for instance, with regard to the question whether a certain act falls under a moral rule (deontology) or concerning the calculation of utilities and harms (teleology). The expression or manifestation of virtues, however, seems to require little or no thought at all, when acts spontaneously whenever the appropriate occasion arises. In fact, the truly honest person probably never even thinks of lying. Indeed, too much deliberation - "Should I be generous or greedy?", or "Should I be honest or not?" - could be evidence that this person does *not* have the virtue in question. In short, the focus in virtue ethics is not primarily concerned with thought and guidelines. Rather, it is the hallmark of a virtue that it be ingrained in one's character and - perhaps after years of cultivation and practice - seem perfectly "natural" (Solomon, 1999, 35-36). Nevertheless, one might a virtuous person for his or her motivation for action, that is, to give reasons why a certain act, or better, the person itself, is thought of to be morally good. When this person justifies the particular action or his or her character by pointing at moral motivation or disposition, virtue ethics is saved as a mode of moral argumentation.

In doing so, since virtue ethics comes close to moral psychology, from a *psychological* perspective one might ask where virtues do come from: are they innate, are they acquired in some way? As Pettit (1997a, 136, 140) puts it, there is the assumption that a person of virtue is privileged to the extent that rightness is characterized just as that property that is reliably tracked under the promptness of virtue. This implies a certain circularity, when the fundamental a priori axiom of morality, according to aretaic ethics, is that an option is right if and only if the virtuous agent would be disposed to choose it. In other words, we can say that a priori the virtuous will track the right direction because to be virtuous is to be sensitive to values and to the ways in which values make options right. An important issue in virtue ethics is the complex relationship between virtue and action, as we have seen while pointing at the distinction between moral values and instrumental values. For instance, how exactly does a person of integrity act in an organizational context that requires intricate strategic interaction? This refers to the criticism that concerns the fear that virtue ethics as such can be of little help when conflicting moral motivations of conflicting moral intuitions evoke a serious moral dilemma. That is, what kinds of specific practical guidance do we get from the virtues in

those cases where they appear to conflict with another (for instance, honesty versus prudential politeness) (Louden, 1998, 494).
From an *axiological* perspective, every value asks for a corresponding moral virtue. Yet, one might ask - when a virtuous person is characterized as being able to recognize the morally good (values) -, how this person gains access to it, that is, in what sense can a virtuous person said to be privileged in make the right choices? As in axiological ethics, one might ask for universal validity. Is there some universal set of virtues, or are virtues relative, that is historical and context-bound. In fact, as is the case with values, there is no such general set of virtues.
From a *deontological* perspective, one might object that since morality depends on someone's disposition, this someone might be fallible and ignore important moral rules, thus evoking morally incorrect actions. In this vein, Borchers (2001) suggests that we rather are in need of rules telling us what (not) to do than assume vaguely defined virtues implying that we know it already. As we shall see, Kohlbergian theory gives a developmental solution for this issue.
From a specific Kantian perspective, virtues are by no means the exclusive property of virtue ethics, since in Kant's ethics, virtues in fact take a crucial position, when thought of as determined dutifulness and respect for reason (Van Tongeren, 2004, 86-87).
The *consequentialist* perspective raises the serious objection that virtues persons might be blinded by their moral character and neglect the consequences of actions chosen, thus exhibiting an autistic position. That is, motivated by noble moral intentions, actions can be carried out with dramatic unforeseen and unintended effects (as can, for instance, be the case with honesty or generosity). Thus, moral virtues may not be decisive for proper moral conduct, when the rightness of actions is at least to some degree independent of the virtuous agent and is not simply constituted by the responses or choices of virtuous agents.
Put in a stronger fashion, when the moral value of motives depends on its aims and hopes, and the efforts it makes, vis-à-vis the world, it becomes rather indistinguishable from consequentialist ethics with regard to its type of justification. Furthermore, moral virtues may not lead to desired outcomes because of a lack of instrumental virtues (lack of courage or perseverance, or because of opposing factors).
As was mentioned above, from an overarching perspective, Nussbaum (1999, 200-201) considers virtue ethics even a misleading category, since both teleological and deontological ethics contain treatments of virtue. Therefore, she argues, virtue ethics cannot possibly be a separate approach contrasted with other approaches. Since the common ground of virtue ethics can and will be pursued with both utilitarian and deontological contexts, Nussbaum seems to adopt a complementary vision concerning moral strategies, or perhaps better formulated, an inclusive vision.

- In *deontological* ethics, moral actions are justified when they are in line with universal moral rules, based on (for instance) some formulation of the Categorical Imperative and based on fundamental respect for persons as rational agents and their inalienable moral autonomy. That is, deontology recognizes some final goal to be promoted, humanity as an end in itself. Kant, who was ultimately guided by the ideal of a community of free and equal individuals,

proclaims in one his famous passages (*"Grundlegung zur Metapysik der Sitten"*, 428, 437) proclaims that

> "…man, and in general every rational being, exists as an end in himself, not merely as a means for arbitrary use by this or that will: he must in al his actions whether they are directed to himself or to other rational beings always be viewed at the same time as an end".

Baron (1997, 11) emphasizes that it is crucial here that "end" does not mean "goal": the end must be conceived "not as end to be produced, but as a self-existent end". However, a serious issue in deontological ethics concerns the level of abstraction that may play tricks on moral reasoning. One might object that that especially Kantian ethics seems to be disturbingly reductionist, "as if all of ethics can be handled by one big rule that tells us what to do", (…) "as if some mechanical test would tell us how to live". Of course, the Categorical Imperative is not meant that way. It is not expected to tell us what to do (if the idea is that it dictates to anyone, regardless of that person's interests and circumstances). Instead, the Categorical Imperative provides us with a way to evaluate or actions morally and to determine whether they are permissible, including the reasons for the actions (Baron, 1997, 64-65).

In this respect, it is essential to distinguish singular moral judgments, moral rules, and fundamental moral principles (such as respect for autonomy, or justice). Singular moral judgments are judgments about the moral (in)correctness of a certain action that a particular person at a particular moment in a particular situation should (or should not) carry out (in Toulmin's terms: a *claim* containing a statement about a moral issue). In deontology, these singular moral judgments are based on and justified by referring to a more general type of judgment: *moral rules*. These moral rules state unconditionally and binding that a certain type of action of everybody (or a particular category of people) always (or at least in certain specified circumstances) is permitted, commanded, demanded or forbidden. On their turn, moral rules are considered manifestations realizations of *fundamental moral principles* meant to realize them.

An important issue in deontology is the problematic relationship between these three levels of singular moral claims, moral rules, and fundamental moral principles.

- First, from an *axiological* perspective one might ask whether the essential values are translated into moral rules and are translated properly. Because of their very general character, there is much room for interpretation.
- Second, moral principles allow translation into divergent, even conflicting moral rules. Apart from that, in one specific situation several, possible conflicting, rules (and of course, principles), might be of application. This type of situation asks for criteria for setting priorities. Rules may be found hierarchical, that is, different in moral load and weight, or one might, as rule-utilitarian consequentialist do, look at the consequences of acting according all relevant rules involved, and choose that rule with either the expected maximum positive effect or the minimum negative effect.
- Third, because of its pursuit of universal formulations, deontology meets a very serious dilemma, the one horn of which is that deontology might have little attention for specific situational details when supplying us with very general and rigid rules. That is, there be

specific situational circumstances that hamper the application of moral rules. The other horn becomes apparent when deontology wishes to solve all possible moral issues and actions, thus burdening us with an overload of permanently refined moral rules covering any possible exception to the rules involved, eventually leaving the point of view of impartiality. From this perspective, deontological ethics can be thought of quite demanding and perhaps too austere to apply to business ethics (Bowie, 1999b, 12-13) while focusing on meaningful work, a democratic workplace, non-deceptive advertising, and a non-coercive relationship with suppliers, rather than on profits. However, Bowie (1999b, 13) argues, we should view profits as a consequence of good business rather than as the goal of business. In this vein, Bowie continues (199b, 14, 15) contemporary capitalism may foster international economic cooperation, and thus even contribute to world peace when commerce is a way of bringing people together rather than keeping them apart.

Although in deontological ethics the importance of corresponding virtues is recognized, from an *aretaic* perspective one might object that strictly adhering to moral rules without the corresponding virtues and other personal qualities of the actor(s) involved might lead to inauthentic heteronomous morality, that is, superficial compliance instead of deeply felt internalization. Deontic terms may even limit the scope of ethics because it stresses duty only to perform certain acts based on some very general big rule (The Categorical Imperative), while neglecting the necessity of having a certain sort of character, virtues, or attitudes. The aspect of duty (to deon) might thus be called just "one thought too many" (Baron, 1997, 56-64), though deontological ethics insists on doing the good because it is one's duty to do the good, based on "self-constraint in accordance with a principle of inner freedom", as Kant put it in his *"Die Metaphysik der Sitten"* (394). Deontologists may reply that The Categorical Imperative is more than just a fool-proof or rogue-proof mechanical test, but engages us in virtuous reflection demanding considerable self-scrutiny, for it requires us to figure out, as well as we can, what our maxim is: what we are really doing and why. It requires judgment, or as Kant puts it, "a *power of judgment sharpened by experience" (Grundlegung zur Metaphysik der Sitten*, 389).

From a *teleological* perspective, deontology can be thought of as hazardous strategy of justification. Because the effects of performance of one's duty are not considered, at least, not in a decisive way, sticking to moral rules might lead to undesired consequences and might ask unreasonable sacrifices of the actor(s) involved while neglecting particularities of the situation in which moral rules are applied or maxims formulated. Therefore, some requirement of proportionality could be introduced, indicating that the good that needs to be done, bears a reasonable relation to the possible negative consequences of the particular act and requires attention for particularities. Deontology does not ask for moral heroism that can only be effectuated by thoughtless saints and heroes. Furthermore, deontology can be characterized as a persistent mode of moral reasoning, both in its conservative and its rigid meaning. Because of its focus on rules, it might hamper moral innovation, and thus may generate unwanted effects. Usually, it might take some time to replace old moral rules by new and better ones, or formulate new rules when facing new developments in the world (think, for instance, of the time it takes to regulate the moral and juridical aspects of electronic mail and

the use of the internet). In its rigid meaning, deontology may render moral communication superfluous and make people morally lazy (a claim that can be put forward from the aretaic perspective). "Going by the book" of moral rules requires no special communication, both in the sense of moral self-talk and of interpersonal communication. On its turn, consequentialist ethics requires perpetual moral considerations and the weighing of pros and cons of intended actions.

- Teleological (consequentialist) ethics as common approach can, despite its common sense plausibility (because of enumerating alternatives, considering consequences for all involved, and calculating utilities) also meet some serious points of criticism. One the one hand, Pettit (1997b, 253, 254) considers the consequentialist focus as by far the narrowest and, as a result, the best defined, and hence especially fit for use in economic thought being the utilitarian justification for the free market (as an efficiency claim) (Snoeyenbos & Humber, 1999, 23-24). On the other hand, Pettit admits that consequentialist ethics remains silent on two crucial questions, (1) the issue as to what is truly of value (that is, the ends to be promoted), and (2), the issue as how different options are likely to serve the promotion of values (the means to promote value). Therefore, Petit argues, a consequentialist theory of ethics needs to be complemented by a theory of the good to identify what counts as costs and benefits. Pettit (1997a, 151-168) raises three further objections to the teleological perspective, the first of which is that any consequentialist is going to support what are intuitively bad options in many choices. Second, even where consequentialist ethics supports good options, it might support them for reasons considered wrong from other forms of moral position taking. The third objection is that any consequentialist theory might mislead us in representing some good options as obligatory and uniquely justifiable when intuition tells us that good though they are, they are not obligatory or uniquely justifiable; they are acts, rather, of supererogatory merit. In this sense, according to Pettit (1997a, 163-167) any consequentialist theory is going to be intuitively overcharging. This may be so for a number of reasons. In the first place, there is the problem of *measurement*: how can we appropriately measure the various outcomes in terms of degree of pleasure, utility, happiness, and wellbeing? Moreover, since not everything is measurable, those effects that are hard to measure may be left out of consideration. Second, there is the problem of *valuation*. Although it is tempting to determine the economic value of anything in terms of money (costs and benefits), this mode of thinking confronts us with unease, when considering the price of health and beauty. Not everything is calculable, nor should be, as is claimed from deontological, axiological, and aretaic angles, as will be outlined below. Third, there is a problem of *probability*: what are the odds that certain (undesired) effects indeed do (not) occur, and what is their strength and their duration?[71] Fourth, perhaps more fundamental, there is the problem over *completeness*: are all possible relevant consequences, desired as well as undesired, considered?[72] Fifth, there is the problem of *comparison*: (how) can we compare different types of utility and different types of happiness, or are they incommensurable by their very nature? Sixth, we have the problem of *checking the balances*: how do we arrive at a final moral judgment when faced with multiple outcomes of a various kind? Are choices and evaluations not based on biased preferences, fear, envy,

fatigue, resentment, ignorance, or haste? Seventh, there is the problem of *laboriousness*: consequentialist moral reasoning is rather time-consuming, when taking all possible effects of relevant alternatives into consideration. For this reason, from a consequentialist point of view it might be advantageous to use practical rules of thumb to avoid endless bean counting. Of course, this introduces some form on rule-utilitarianism.

From an *axiological* and *aretaic* point of view alike, one might raise the question whether a teleological approach really promotes fundamental values and virtues, such as justice and respect (for autonomy). That is, how can partly unjust consequences (for some people or parties involved) be justified, for instance, how can the benefits of some people be glossed over when facing the costs some other people are saddled with? Furthermore, how can an individual's wellbeing be crossed off against the greater wellbeing of the larger group? Cheaper does not always imply more just.

From a *deontological* perspective, similar points of criticism can be put forward, especially with regard to moral rules and fundamental rights (concerning safety, privacy, due process). Is it morally defendable to pass moral rules or sacrifice individual rights for the sake of the group or the nation at large, or are fundamental rights inalienable and should be treated so? Since consequentialism permits flexibility in adhering to moral rules and even breaking rules to maximize utility, one might ask whether this does not simply mean opportunism. In other words, is it always morally permissible to do whatever will produce the best consequences?[73]

Despite the objections raised, consequentialist ethics is of very practical use in everyday life, while teaching us to deal with wellbeing, happiness, and utility in a flexible way, according to the circumstances, in its most sophisticated forms reckoning with the interests of many people and parties involved. Yet, consequentialist argumentation does always show an accounting bias (the risk of error due to miscalculation or self-deception), with numerous uncertainties and speculations as well as time-consuming procedures, including the possibility of endless communication about matters that had better regulated in a deontological manner with some rule (think of the endless discussion about smoking or not smoking). Moreover, because not everything is to be measured, non-measurable consequences may be neglected, leading to distorted moral decision-making.

When evaluating moral climates in which these strategies of moral reasoning are dominant, one might ask in which ways the possibilities and limitations of each strategy affects the situation of organizations and their stakeholders. Is it a plausible and promising avenue to (re)integrate these strategies of moral reasoning?

(3) Moral strategies can be (re)integrated

The *integrative* option claims that all modes of moral argumentation – each emphasizing specific concerns - give an incomplete and possibly inappropriate account of a more general, underlying and unifying notion of morality. It might also entail the claim that all moral disputes can be conceived of as resolvable by decision procedures that see all moral complexities as reducible to and measurable in terms of some single commensurating moral consideration or factor (formulation borrowed from Slote, 1997, 179). Put in other words, any strategy of moral

justification and the ethics theory behind it not conceived of as covering a different *conception* of morality, but as focusing on a different *aspect* of morality. When any single aspect is proclaimed as a concept of morality, these concepts and the theories that entail them may appear to be incommensurable.

On the contrary, when kept in mind that ethical theories are about different aspects of morality, these theories of ethics are not so much rival theories, but can be considered in an integrative way when answering different though interrelated questions about morality. As Pettit (1997b, 252) puts it:

> "Among the things which we consider in the course of ethical thought are decision-making questions about what I should do here and now or about how I should generally treat someone; more reflective questions that bear on the deliberative reasons that should guide me in decision-making; questions of motivation and character such as what sort of person I should try to be and what kinds of habits and motives I should encourage in myself; and issues of justification to do with whether I am or was justified in taking a certain course of action or in endorsing certain deliberative or motivational patterns. For each such topic of ethical thought, there is a corresponding area of ethical theory".

An integrating conception of theories of moral justification recognizes an underlying "something" that these theories are about (for instance, "rightness of human action"). However, there certainly are questions to which ethical theories offer different answers, enough to make them rival theories. Undoubtedly, it is true that these approaches vary in which questions they concentrate on and how they rank those questions for importance (Pettit, 1997b, 253).

Yet, a full and comprehensive account of morality should (re)integrate the strategies of moral argumentation discussed above while clarifying their relationships. From this point of view, several interconnections can be postulated. The unifying thought should be that each theory of normative ethics and the strategy of moral justification that is implied in it is a theory about what makes a human action morally right. This is so, because the action honors and promotes moral values, because it results from virtuous character, because it is in concordance with (universal) moral rules, or because aiming at the best consequences. The unifying element then, could lie in more fundamental values (a prominent candidate of which is respect for autonomy) to be promoted through actions with just consequences, through just rules, and through guidance by virtuous intentions. In doing so, value ethics with the emphasis on moral principles is put in an overarching position, making other forms of moral position taking distinctive pathways of promoting these values and principles (each pathway focusing on its own aspect of morality), as is put forward in the next paragraphs.

Axiological ethics can provide teleological ethics with a more profound foundation; the goals and consequences in teleological ethics are possibly reducible to values of a more general kind. Because of the very general and abstract character of values, axiological ethics can or needs to be translated into rules of a more specific and testable kind. In fact, axiological ethics needs aretaic ethics, when it is postulated that every moral value is in demand of corresponding virtues. Only then, impersonal values can be transformed into personal virtues when people are sensitive to values make themselves familiar with these values and choose values as an internalized personal statute, and are thus disposed to recognize and choose the best option. For instance, justice as a

general impersonal value becomes a personal characteristic of someone intending to be a just person. The reverse is also true, when the rightness of acting according to a virtue can be determined by referring to underlying values.
Aretaic ethics may be practically indistinguishable from consequentialist ethics, when we make conduciveness to the well-being of people the general criterion of virtue-status while continuing to judge rightness in terms of accord with virtue(s) (Slote, 1997a, 209). Furthermore, it may be postulated that wherever the best consequences are produced by a certain option, that option is bound to demonstrate the presence of a suitable virtue (Pettit, 1997b, 259).
One might wonder, whether adhering to *deontological* rules is more effective (a teleological notion), when these rules are followed because of the presence of corresponding virtues. For instance, sticking to the rule "thou shalt not steal" will probably be more effective and more credible, when it is cherished because of the corresponding virtue respect for other persons' property. Moral rules without moral virtues are powerless, but moral virtues without moral rules and without considering the effects of decisions and actions are blind.
Teleological ethics can complement deontological ethics when considering consequences of respecting rules. One might even formulate a teleological inspired moral rule that says that one should always try to consider the consequences of following rules: always consider the consequences. From a teleological perspective, the use of moral rules can be defended as timesaving. To avoid endless procedures of outweighing pros and cons, one might establish moral rules that have proven to be effective in living together. It is true, that moral rules might obstruct authentic interpersonal communication when rules are considered authoritative, but this interpersonal communication is not always desirable. Rules forbidding smoking cigarettes in the workplace may well replace endless and disastrous discussion sessions about (not) smoking Deontological ethics can be complementary to teleological ethic while making explicit implicitly held moral decision rules, such as the rule that an action should contribute to the welfare of as many people as possible. However, deontological ethics and teleological ethics are not mutually reducible. Their does remain a fundamental difference between adhering to a rule out of respect for this rule (virtue) and because of the conviction that the good needs to be done, and sticking to this rule because this more advantages than disadvantages. *Deontological* ethics cannot operate well without teleological notions when two or more conflicting rules are at stake.

In sum, the four perspectives of moral position taking can, and perhaps need to be integrated into a more comprehensive account of morality in which values are cherished, moral virtues emphasized, moral rules are adhered to critically and consequences of moral choices examined, weighed, and balanced. This integrated perspective offers us an embracing criterion for the evaluation of positions of moral position taking: are no essential moral considerations from one or more of the moral perspectives left aside? This is an essential step in the evaluation of moral climates. When questioning the desirability of a moral climate found and examined, one needs criteria. A moral climate emphasizing only one particular strategy of moral justification, is always one-sided and therefore, idiosyncratic.

In this respect, *social contract ethics* - at least, some of its forms - can be an established candidate for

this integrative perspective. We will discuss this candidate in some detail, since in business ethics this perspective has gained some influence (for instance, Donaldson & Dunfee, 1994, 1999). However, before we will consider the contribution of Donaldson and Dunfee, we have to explore the meaning of social contract ethics from a more general ethical perspective.
Every moral theory must deal with two questions: what are the demands that morality makes of us, and why should we feel obliged to obey those demands? According to Kymlicka (1991, 186), much of the attractiveness of the social contract approach to ethics is that is seems to provide simple and related answers to these questions. The demands of morality are fixed by the agreements that humans make to regulate their social interaction, and we should obey these demands because we have agreed to them. However, Kymlicka continues, the appearance of simplicity is deceptive, for instance because different theories give widely divergent accounts of the content and normative force of this supposed 'agreement'. Contractarian morality requires that we join others in acting in ways that each, together with others, can reasonably and freely subscribe to as common moral standard, since, as Donaldson & Dunfee (1999, 25) note, the core of all contractarian approaches is the acceptance of respect for human moral autonomy. This subscription has an element of reasonable consent (hence of rationality, that is, not afflicted by inconsistency or logical confusion, and knowledgeable) and 'no objection', and can either take the form of compromise or consensus while seeking agreement. Contractualism is understood in a variety of ways. In Pettit's words (1997, 123):

> " … sometimes it means just the belief that asking what people would contract onto under certain conditions is a useful heuristic for identifying the right; sometimes it means the belief that you cannot believe that something is right - you cannot be confirmed in that belief - without having grounds for believing that the option in question would pass one or another contractual test; sometimes is means the belief that however rightness is determined, values are determined – values in general of particular values like fairness – as those properties that have a certain appeal, and so on."

No matter the variation, agreement is the essential feature. But, as Kymlicka (1991, 196) puts it: "…unless, we put limits on what counts as a reasonable and free agreement, then almost any theory can be described as contractarian, since almost any theory claims to provide a common moral standard that people can reasonably and freely subscribe to. To argue for a theory is, in part, to attempt to show that its demands are reasonable, and that people should freely accept them. If we are to put boundaries on contractarian ethics, we need to put limits on the kinds of reasons that can be appealed to in main g agreements, and the kinds of conditions under which they are made". Thus, the question is which sort of reasons and conditions make a moral theory a distinctly contractarian theory?

From a historic perspective, social contract theories challenge those ethical theories that give firm justifications and foundations for their proposed morality (from religion, kings, nature). The Sophists in fifth-century (BC) Athens already claimed that social arrangements are no products of nature, but of convention or contract. According to them, the source of social rules is no more mysterious than this, and since social rules are human products invented to suit human purposes, these rules are neither authoritative, nor infallible or unalterable, and in some sense arbitrary,

though not ethically relativistic (Keeley, 1995, 242). From this angle, the constructing (better) social contracts orientation asks for post-conventional morality with some form of mutual agreement and equality of contracting partners as decisive features.
Social contract theory emerged more in particular in the Enlightenment era (through Hobbes, Locke, Rousseau, and Kant), when political contractarianism answered questions as to why people would agree to be governed. This type of contractarianism was not successful because of two flaws. The first flaw concerns the fact that there was never a real political contract, at most a hypothetical contract, and without such a real contract, neither government nor citizens are bound by hypothetical promises (for instance, to protect the interests of the ruled). Hence, the idea of a social contract seems either historically absurd (if it is intended to identify actual promises) or morally insignificant (if it is intended to point out purely hypothetical promises). Even if the original creation of a government was based on contractual agreement, what serves to bind future generations who are simply born under a government and automatically subjected to its laws? The second flaw has to do with the circumstance that contract theorists say that on the one hand we should obey government because we should keep our word and on the other hand, we find ourselves embarrassed when it is asked for. In other words, why are we bound to keep our word? More specific, the very considerations that put people in doubt about the naturalness of their political obligation to obey rulers soon put them in doubt about the naturalness of their personal obligation to keep promises. Therefore, Kymlicka (1991, 188) concludes, social contract theory was a kind of stopgap response to the dissolution of pre-Enlightenment ethics because it simply replaced one questionable natural duty with another.
Nevertheless, contemporary social contract theory uses the appealing features of its historic predecessors, in an even more ambitious manner, for it hopes to provide a contractual justification not only for political obligation, but also for the personal obligations taken for granted by classical contract theory. Contractual defense of personal obligation is even less plausible than one of political obligation. Contractually defending political obligation faces many practical problems, but according to Kymlicka (1991, 188) there is a logical problem in grounding personal obligations in contract. It makes no sense saying that people could sign a contract agreeing to keep contractual promises. However, according to Kymlicka, the emphasis on promising is not what contemporary contract theorists draw from the earlier tradition. They rather draw on two other elements: (1) obligations are conventional, not divine, arising from the interactions of people who are naturally equal, and (2) conventional obligations secure important human interests. When these two elements are combined, it is possible to (re)interpret social contracts not primarily as promises, but as devices for identifying social conventions promoting the interests of the members of society.

Kymlicka (1991, 188-189) distinguishes two forms of current social contract theories of ethics, that both accept the classic contract view that people are equals by nature, but differ with regard to the conception of the our natural equality. The one approach emphasizes a natural equality of physical power, which makes it mutually advantageous for people to accept conventions that recognize and protect each other's interests and possessions. The other approach emphasizes a natural equality of moral status, which makes each person's interests a matter of common or

impartial concern. This impartial concern is expressed in agreements that recognize each person's interests and moral status. Kymlicka calls proponents of the mutually advantage 'Hobbesian' contractarians, and proponents of the impartial theory 'Kantian' contractarians. As we will see below, when we will consider the cognitive moral development theory of Kohlberg in the moral horizon section, the 'Hobbesian' approach corresponds to pre-conventional exchange modes of moral reasoning, whereas the 'Kantian' approach corresponds to post-conventional modes of moral reasoning and hence is more appropriate candidate for an integrative moral perspective. Let us consider both approaches in order to substantiate this claim.

> The Hobbesian approach rules out earlier notions of divine rights or natural duties and stresses subjective preferences of individuals. From this perspective, there is nothing inherently right or wrong about the goals chosen to pursue, or the means by which one pursues those goals – even if this involves harming others. However, while there is nothing inherently wrong in harming you, I would be better off by refraining from doing so if every other person refrains from harming me. Such a convention against injury will be mutually advantageous – we do not have to waste resources defending our own person and property, and it enables us to enter into stable co-operation. While injury is not inherently wrong, each person gains by accepting conventions that define it as 'wrong'. The content of such conventions will be the subject of bargaining, persons wanting the resulting agreement to protect their own interests as much as possible while restricting them as little as possible. While social conventions are not really social contracts, we can view this bargaining over mutually advantageous conventions as the process by which a community establishes its 'social contract' with its inherent duties (not to steal, not to hurt). These mutually advantageous conventions occupy some of the place of traditional morality, and for this reason can be seen as providing a 'moral' code, even though it is generated as a rational constraint from the non-moral premises of rational choice. Of course, this approach has some inherent weaknesses. Whether it is advantageous to adhere to a particular convention will depend in one's bargaining power and competence, assuming that the strong and the talented have greater power than the weak and infirm. The infirm produce little of value, and what little they do produce may be simply expropriated by others without fear of retaliation. Since there is little to gain from co-operation with the infirm, and nothing to fear from retaliation, the strong will have little reason to accept conventions that help the infirm. Thus, Hobbesian contractarianism does not view individuals as having any inherent moral rights or status. Therefore, the underlying view on equality has some strong implications. Because the theory recognizes no inherent moral status, any equality of rights between people presupposes a prior physical equality between them. Hobbesians claim that since I am equal to others in physical abilities and vulnerabilities, that is, equal in the ability to harm others and the vulnerability to being harmed, then I must show an equal concern for others, for I must secure in an arrangement that gives each person grounds for refraining from exercising that power to harm me. Since this claim is often false, empirically taken, the Hobbesian claim is not that people are in fact equals by nature, but rather that morality is only possible insofar as this is so. This view does match with our every understanding of morality, which asks to respect the rights of others, and to accept that our moral obligations are strengthened and not diminished by people's vulnerability. That is, mutual advantage cannot be the foundation of morality, for there are moral claims prior to the pursuit of mutual advantage, natural duties to others, denied by the Hobbesian position. However, to claim that Hobbesian contractarianism ignores our duty to protect the vulnerable is not to give an argument against the theory, for the existence of such moral duties is precisely what is in question. But, as Kymlicka argues, if Hobbesian contractarianism denies that there is a real moral difference between right and wrong that all people should respect, it is not so much an alternative account of morality as an alternative to morality. While it may lead to justice wherever people have equal

> power, it also leads to exploitation wherever personal differences are sufficiently great and there are no grounds within the theory to prefer justice to exploitation. If people act justly, this is not because morality is a value, but only because they lack irresistible power and so must settle for morality. According to Kymlicka, this is not a refutation of the theory. The fact that Hobbesian contractarianism does not conform to standard views of morality will not worry those who think that those views are untenable. If standard views of morality are untenable, and if Hobbesian contractarianism cannot yield morality, then so much the worse for morality. Hobbesian morality may even be the best we can hope for in a world without natural duties or objective values (Kymlicka, 1991, 189-190).

From this description, it can easily be concluded that the Hobbesian version of contractarianism is not a suitable candidate when it comes to an integrative perspective on ethical theories. At its best it is an egoistic, pre-conventional mode of teleological moral reasoning (an action is good if it satisfies some desire of mine) with bargaining as its core, that leads to conventions that do not need to be moral at all, while denying the moral status of individuals. However, what about the Kantian version?

> The Kantian approach of contractarianism is many ways the opposite of the Hobbesian approach, both in its premises and in its conclusions. It uses the device of a social contract in order to develop, rather than to replace traditional notions of moral obligation. It uses the idea of the contract to express the inherent moral standing of persons rather than to generate an artificial moral standing, and it uses the device of the contract to negate, rather than reflect, unequal bargaining power. The Kantian approach has its roots in the Lockean idea of the establishment of a positive law by mutual consent. The argument of Locke is that governments are analogous to contracts, made by and for people. In governments, as in contracts, one person's rights should count as much as another's. Since everyone counts, contracts, governments and other systems gain legitimacy and create obligations to the extent that all parties consent to them freely. Locke rescues social contract theory from the possible ethical relativism of Sophist versions by offering ways to tell good rules from bad and might from right: consulting moral laws (such as the rightful equality of persons) and determining what people will consent to. Unclear in this version is he exact meaning moral laws tending to lack precision, as well as the meaning of agreement. Does consent mean and explicit act of agreement, of does it mean only an implicit act of tacit consent, for instance participating in some community (such as accepting a job at McDonald's, or even participating as a consumer (Keeley, 1995, 243-244, 245)? Do modern versions of social contract theory manage to avoid this lack of clarity?
>
> In the view of Rawls, - an exponent of the Kantian approach, among others - people are self-originating sources of valid (moral) claims. People matter from the moral point of view, not because they can harm or benefit others (as in the Hobbesian approach), but because they are ends in themselves. An important premise is the moral equality of human beings. Each person matters and matters equally, each person is entitled to equal consideration. At the social level this notion gives rise to 'a natural duty of justice', for instance, a duty to create and maintain just institutions. The idea of a social contract is a procedure to help us determine the precise meaning of (for instance) justice, because it embodies a basic principle of impartial deliberation., i.e. that each person take into account the needs of others as free and equal beings. Though the conditions of equality and freedom are not always met, Rawls believes that the problem is not with the idea of an agreement between self-interested contractors, but with the conditions under which the contract is determined. A contract can give equal consideration to each of the contractors, but only if it is negotiated from a position of equality, in Rawls's theory labeled as 'the original position'. The idea is, to ensure genuine equality by depriving people in the original

position of the knowledge of their ultimate position in society: people must agree on principles of justice under a 'veil of ignorance', that is, without knowing their natural talents or infirmities, and without knowing what position they will occupy in society. Each contractor is still assumed to be trying to do the best they can for themselves, but since no-one knows what position they will occupy in society, asking people to decide what is best for themselves has the same consequence as asking them to decide what is best for everyone considered impartially. In order to decide from behind a veil of ignorance which principles will promote my good, I must put myself in the shoes of every person in society and see what promotes his or her good, since I may end up being any one of those people. When combined with the veil of ignorance, the assumption of self-interest is no different from an assumption of benevolence, since I must sympathetically identify with every other person in society and take their good into account as if it were my own. In this way, agreements made on the original position give equal consideration to each person. The original position represents equality between human beings as moral persons, and it is only in such a position of equality that contract is a useful device for determining the content of our natural duty of justice (Kymlicka, 1991, 192; Rawls, 1971, 190). As with the Hobbesian approach, Kantian contractarianism offers an account of the idea that we are, by nature, equals. However, for Kantians, this natural equality refers to a substantive moral equality. The whole point of Kantian contractarian reasoning is that it substitutes a moral equality for a physical inequality and that impartiality is the definitive of the moral point of view, that is, the moral point of view just is the point of view from which each person matters equally. Despite the many possible variations in the description of the original position (for instance, the position of gamblers choosing utilitarian principles), which make interpretation necessary, we can (according to Rawls) decide by seeing which interpretation yields principles that match our convention of justice. If the principles chosen in one interpretation of the original position do not match our considered judgments, then we move to another interpretation yielding principles more in line with our convictions. Apparently, a problem arises when each theory of justice has its own account of the contracting situation. In that case, we have to decide beforehand which theory of justice we accept, in order to know which description of the original position is suitable. When this dispute cannot be resolved by appeal to the contractual agreement (which presupposes the theory of justice) and all the major issues have to be decided beforehand, then the contract is redundant (Kymlicka, 1991, 193). However, while, according to Kymlicka, the idea of contracting from an original position cannot justify our basic moral judgments, since it presupposes them, it does serve some useful purposes. It can render our judgments more determinate (contractual agreements must be explicitly and publicly formulated), render them more vivid (the veil of ignorance is a vivid way of expressing the moral requirement of putting ourselves in other people's shoes). It can also dramatize our commitment to them (the veil of ignorance dramatizes the claim that we would accept a certain principle however it affected us). In these and other ways, the contract device illuminates the basic ideas of morality as impartiality, even if it cannot help defend those ideas (Kymlicka, 1991, 193). On the other hand, the contract device is not required to express these basic moral judgments. Impartial consideration has also been expected by using ideal sympathizers, rather than impartial contractors. Both theories instruct the moral agent to adopt the impartial point of view, but whereas impartial contractors view each person in society as one of the possible future locations of their own good, ideal sympathizers view each person in society as one of the components of their own good, since they may sympathize with and so share each person's fate. In fact, the two theories do use different devices, but this difference is relatively superficial, for the key move in both theories is to force agents to adopt a perspective that denies them any knowledge of, or any ability to promote their own particular good. Indeed, Kymlicka (1991, 194) concludes, it is often difficult to distinguish impartial contractors from ideal sympathizers[74].

The ultimate evaluation of contractarian ethics depends on one's commitment to the ideals of moral equality and the natural duty that underlie it. To Hobbesians, these ideals and the moral truths they express do have no foundation at all, since to Hobbesians there are no moral truths true express. This feature explains possibly much of the attraction of Hobbesian contractarianism for being a secure answer to the moral skeptic. The distinctive approach of Kantian contractarianism to determining our moral claims is based on the assumption that there are obligation-generating claims which all persons have a duty to respect. Unlike the Hobbesian approach, Kantian contractarianism invokes adherence to internal values, more in particular to our sense of justice, in explaining the reasonableness of obeying moral duties. Both approaches emphasize agreement as a contractarian device, but only in the Kantian approach obligation is grounded in privileged agreement based on values. Right options are those that best serve values and any reasonable objection must cite a disservice to such values (Kymlicka, 1991, 195-196); Pettit, 1997, 140).
From the above, the Kantian approach, despite its shortcomings appearing in the Rawlsian fashion, emerges as a better candidate for a morally sound and practically useful integrative perspective than the Hobbesian approach does. This is so because it offers a morally committed communicative procedure that takes into account the effect of choices on the interests of all other people, asks for moral virtues, and tries to give a proper translation of moral values into practical courses of action, based on carefully constructed moral conventions agreed upon.

However, this is not the end of the story of contractarian ethics. In organization theory and business ethics, the social contract tradition has gained some influence, notably in relation to stakeholder theory. More in particular, Donaldson and Dunfee offer with their '*Integrative Social Contracts Theory'* (ISCT) a traditional yet innovative approach that highlights some important issues. Departing from the notion that there are no specific blueprints for organizational arrangements, organizations are designed by human beings and hence can be considered in terms of micro social contracts, because they might be designed differently for human purposes. ICST integrates two distinct kinds of contracts:

1. a normative and hypothetical contract similar to the classical contractarian theories in philosophy and political economy, defining the normative ground rules for creating the second kind of contract,
2. an existing (extant) implicit contract that can occur among members of specific communities, including organizations, departments within organizations, informal subgroups within departments, national and international economic organizations, professional associations, branches of industry, and so on (Donaldson & Dunfee, 1994, 254)

According to Donaldson and Dunfee, this way of conceiving business ethics is not only helpful in understanding the normative justification for business decisions, but it also helps in reaching such decisions. It is an alternative to current deontological and teleological theories of ethical decision-making, because these theories - while seeking either general moral principles or welfare maximization for all involved - often fail to reflect the context-specific complexity of business

situations, including culture-specific or industry-specific circumstances (Donaldson & Dunfee, 1994, 254-255; 1999, 28-23). The authors depart from the notion of 'bounded moral rationality'. Human beings have finite intellectual resources to discover and process morally relevant factors necessary to implement their (economic, political, ideological, and cultural) preferences, moral theory has limited abilities to devise a thick calculus of morality that coheres well with settled opinions, and the artificial, stipulated nature of economic systems and practices, hence *moral uncertainty*. Yet, they authors assume some ethical latitude, 'moral free space', to organizational contractors. This *moral free space* can be described as the freedom of individuals to form or join communities and to act jointly to establish moral rules applicable to the members of the community. Moral free space implies that communities will have significant leeway in the manner in which they choose to generate their own moral rules (Donaldson & Dunfee, 1999, 38-39).
To Donaldson and Dunfee (1994, 260), the central social contract question is:

> "What general principles, if any, would contractors who are aware of the strongly bounded nature of moral rationality in economic affairs choose to govern economic morality?"

Using moral free space, local economic communities may specify ethical norms for their members through micro-social contracts based on agreements or shared understanding. The word community is delineated as a self-defined, self-circumscribed group of people who interact in the context of shared tasks, values, or goals and who are capable of establishing norms of ethical behavior for themselves (Donaldson & Dunfee, 1994, 273; Donaldson & Dunfee, 1999, 39).
Donaldson and Dunfee (1994, 262; 1999, 41-43) use two criteria of legitimacy:

(1) The first criterion is *consent* of the participants to the local micro social contract (choice entails being informed as well as the right the leave or exit the community): norm-specifying micro-social contracts must be grounded in unforced informed consent buttressed by a right of exit, to be sure that these norms are authentic.
(2) The second criterion asks for *compatibility* with more general moral principles or hypernorms.

These hypernorms are settled understandings of deep moral values (Donaldson & Dunfee, 1999, 27, 43-44). Drawing on the concept *hypergoods* (goods sufficiently fundamental to serve as a source of evaluation and criticism of community-generated norms, meant to prevent moral relativism), introduced by Taylor (1989, 64), the principles that would limit the moral free space of micro-contracts can analogously be called hypernorms. Hypernorms, by definition, entail principles so fundamental to human existence that they serve as a guide in evaluating lower level moral norms. Any system of organizational rules can be valid and obligatory for individuals who freely consent to participate, so long as the rules violate no higher-level hypernorm. Substantial evidence from a variety of religious, philosophical, and cultural beliefs would be required to specify and establish a hypernorm. Although they may not be totally validating, yet they may converge, for instance, in basic human rights, including the right to subsistence, the freedom of physical movement, security, ownership of property, respect for the dignity of each human person, and political participation (Donaldson & Dunfee, 1994, 264-267). That is, on their turn, hypernorms can be justified by some 'macro social contract' (both in spirit and in letter), as in the Rawlsian fashion of a hypothetical agreement that people could consent to if they were to choose social principles under impartial conditions[75]. Procedures like this can serve as a priority rule in case of conflicts

among norms. In cases of conflicts among norms satisfying macro-social contract terms, priority must be established through the application of rules consistent with the spirit and letter of the macro-social contract (Donaldson & Dunfee, 1999, 44-46).

Because the list of possible hypernorms can be open-ended, ISCT allows for moral diversity across economic communities and is more practical than the abstract ethical theories discussed earlier (such teleological ethics, which even if correct is notoriously hard to operationalize). However, just as in any contractarian theory, the issue of consent - in both its empirical and its hypothetical version - is critical, especially when it is connected to stakeholder theory. ISCT can serve a normative foundation for stakeholder theories and while being capable of clarifying and strengthening their impact (Donaldson & Dunfee, 1999, 235-262). Of course, there are the essential questions of who are relevant stakeholders and of how their claims can be assessed and subsequently justified. However, their more serious considerations, to which ISCT provides definitions and procedures outlined earlier (for instance, all decisions affecting stakeholders undertaken by organizations must be consistent with hypernorms). How can any stakeholder group actually express consent to organizational activities, and how can hypothetically be dealt with stakeholder claims? How do we identify consent in the real world and why should anyone care? Donaldson and Dunfee do not take it too narrow and accept both expressed and implicit consent (even acquiescence as a lesser evil) to organizational practices (as in the Lockean way), under the conditions of being correctly informed and of an exit proviso. People must be free to leave or there is no consent, though at some points, exit costs may be too high, thus leading to some coercion. Yet, generally speaking, consent must be informed and not coerced (Keeley, 1995, 245). Another issue concerns the question whether all participants in an organization must agree to each and every organizational norm for it to be locally valued and binding. At this point, Donaldson and Dunfee propose that so long as a substantial majority of members supports norms and, of course, so long as they do not violate any hypernorm, these norms can be legitimate. The consent requirement is satisfied for minority members by assuming that consent to individual norms derives from consent to membership in the community. Donaldson and Dunfee also assume that consent to membership in a community carries with it consent to the norm-generating process(ses) operating within the community (regardless of whether these processes are democratic or autocratic). In other words, participation could imply not only consent to membership in an organization, but consent to rules one disagrees with, as well as consent to future disagreeable rules, however they come about. Yet, at this point there is the hazard of stretching the concept of consent too far, eroding its moral authority. Even more troublesome, if consent is a contested concept, it does not help us to tell right from wrong. On the other hand, if consent is relative to more fundamental moral concepts, maybe we can even do without it (Keeley, 1995, 246). What remains then, is that organizations are systems of rules that guide behavior, rules made up by people to advance human interests (perhaps disguised as organizational interests). These rules are arbitrary, unless they satisfy some moral principle. Precisely this conception places social contract ethics into the realm of principled, post-conventional moral reasoning (as we will see in more detail hereafter, when we discuss the cognitive developmental moral theory of Kohlberg and associates). Plausible social contract theory begins with a very general description of organizations as sets of working agreements

specifying mutual rights and obligations, made by a variety of participants at a variety of times. The decision to participate can entail different degrees of freedom, that is, one's choice to enter might not be altogether voluntary. These participants might not agree on common goals or ends (apart from perhaps only the viability of the organization), but may treat organizations as a means to their separate ends. A broad description like this fits a wide range of organizations, and it does not mistake enforced collaboration for willing cooperation. To escape moral relativism, consent is not an outstanding criterion, but general principles, such as impartial respect for persons, are. General principles are not unproblematic – they are general and need constant translation – but in order to have an ethical check on consent, we must have backup moral principles (hypernorms). A fine example is the Virginia Declaration of Rights, proclaiming that

> "all men are by nature equally free and independent, and have certain inherent rights, of which, when they enter into a state of society, they cannot by any compact, deprive or divest their posterity, namely, the enjoyment of life and liberty, with the means of acquiring and possessing property, and pursuing and obtaining happiness and safety".

Derived from these inalienable rights were specific obligations of government, including to guarantee fair representation, freedom of religion, immunities from arbitrary search and seizure, from excessive bails and fines, from cruel and unusual punishments. Thus, government exists for the benefit of individuals, all of whom have equal worth that no subsequent contract, not even their own consent, can override. Recognizable here is the Kantian notion that individuals have value of their own, not just as means, as functional servants of societal needs, and hence deserve impartial respect and equal consideration in the design and administration of social institutions. It is this type of principle, rather than consent that is at the core of modern liberal contract theories, like Rawls' theory of justice discussed above (Keeley, 1995, 249).

The principle of impartial and unconditional respect for persons has direct application to organizations and may serve as the criterion to distinguish (ethically!!!) good organizations from wicked organizations. According to Keeley (1995, 249), organizations and the rules that comprise them are good social contracts insofar as they impartially respect the interests of persons affected by them (that is, their stakeholders, a term avoided by Keeley). In fact, this asks for a different conception of organizations. Traditionally, in organization theory organizations are seen as social contracts but in terms of social actors having goals, pursuing interests of their own, making decisions, following policies, adapting, surviving, dying, and soon. According to Keeley, in this view, organizations exist to achieve some common good or objective, and it seems logical to evaluate organizations according to whether they attain their goals. However, the trouble is that stakeholders rarely agree on what these common goods or goals are (unless one manufactures consensus by defining participants am only those people who do agree on goals). An impartial perspective on organizations entails the awareness that organizations exist for persons, that one person has as much worth as another, and that good organizations respect the basis interests of anyone who becomes involved with them. Basic interests refer to conditions necessary for choosing and realizing personal goals, and basic harms are a suitable normative focus in organizations, where people are unlikely to agree on basic goods. The diversity of stakeholder ends and interests is an important issue in neoclassical social contract theories. From a Rawlsian perspective, societal and organizational structures should maximize the expectations for primary goods of persons (rights and liberties, opportunities and power, income and wealth) who have

the least of them. However, in the case of organizations this may prove hard to accomplish, (for instance because of property relations and antagonism between shareholders seeking profit and workers seeking higher wages and security, or even self-fulfillment). As Keeley (1995, 250-251) puts it, the well-known problem is that different organizations serve different instrumental functions for different participants, even though all the organizations that constitute society or a person's sphere of action may serve a common instrumental function when taken as a whole (for instance, the organization's viability). Thus, while it might be reasonable to expect society to provide a mix of Rawlsian primary goods to all its members, it is unreasonable to expect every organization in society to provide the same mix of goods to each of its participants. Keeley's solution for this problem is focusing on the fact that most stakeholders may have similar notions of what they find *harmful* and wish to avoid (what is painful, life threatening, disabling, damaging to one's property, prospects, or name), apparently based on the principal ethical rule of "doing no harm". Associated harms generated by organizations could include industrial injuries, diseases from use of inferior or defective, fraud, employment discrimination, and defamation. There is a considerable consensus on the seriousness of such harms, but, as a matter of impartiality, everyone is entitled to avoid them because they jeopardize the basic interests of persons, whose equal worth implies that one should not have to earn freedom from harm or exit organizations to escape it. Because of the inherent asymmetry between social harms and primary goods, we cannot ask every organization to promote primary goods, but we can infer a general obligation of every organization to avert social harms of all kinds, ranging from major invasions of basic interests to smaller "bad Samaritan acts". A working criterion for distinguishing basic harms might be to ask if virtually anyone, in a particular set of objective circumstances, but despite any particular set of subjective preferences, would find his or her purposes frustrated by an event. Thus, an impartial principle for evaluating organizations might hold that social systems become better social contracts as they minimize basic harms to their participants, that is prevent or redress harm. In this vein, the harm principle might shore up the consent criterion in any case, and developing a principle of impartiality is a top priority in building a social contract theory of organizations. With a suitably impartial principle, according to Keeley, there is little work left for the concept of consent, or put otherwise, without an impartiality principle, the use of consent as an ethical criterion can have troubling implications (Keeley, 1995, 251-252).

Summing up: though moral principles are vague and often hard to operationalize univocally and hypernorms are merely assumed to exist, contractarian ethics cannot do without moral principles and hypernorms as a set of criteria in weeding out abusive contracts, perhaps at the expense of overlooking some bad ones. The additional criterion of doing no harm may then be decisive. All this may undermine existing organizational policies and practices, but exactly this is what one ought to expect from a principled (and post-conventional) social contract tradition. As a general framework for inquiry, its function is not to provide clear-cut and immediate answers, but to pose questions (Keeley, 1995, 252-253).

In these formulations, the integrative function of social contractarian ethics shows again, connecting axiological ethics (respect, virtue ethics (impartiality), teleological ethics (avoiding harm, stakeholder interests), and deontological ethics (improved moral rules).

After having considered three positions with regard to the relationship between strategies of

moral position taking – independent, complementary, and integrative- , the fourth position – the developmental point of view, asks for an elaborate discussion of Kohlberg's theory of cognitive moral development that is considered as the outstanding paradigm for this developmental position.

(4) Moral strategies can be considered from a developmental point of view

The *developmental* option goes one step beyond the integrative option. In this option, strategies of moral position taking are arranged developmentally and considered hierarchically. The assumption is that is stage n+1 is considered a more advanced stage that stage n, n+2 advancing both n and n+1, and so on. The developmental line is one of increasing hierarchical integration, with some idealized end state of morality combining forms of moral position taking in a post-conventional way that resembles very much some forms of social contract ethics. The cognitive developmental approach of Kohlberg and associates and followers is an elaborated example of this option, to be discussed critically in the next section in much detail, as this theory is foundational to many contributions to moral climate theory.

4.4 Kohlberg's theory of cognitive moral development

4.4.1 Introductory remarks

Lawrence Kohlberg and his associates and followers have elaborated a noteworthy and well-established developmental perspective on morality. As emerged from the examination of about 300 contributions to moral climate theory, many authors take Kohlberg's theory of cognitive moral development as their point of departure and foundation. Some authors stay close to Kohlberg's initial notions; other authors choose more divergent avenues in a tendency to move away from Kohlberg's initial stage theory and stage descriptions. One of the essential claims in the present study is that Kohlberg's theory, at least, in an amended fashion, indeed is an appropriate foundation for moral climate theory, in the first place because of its comprehensive developmental account of morality. In this study, Kohlberg's theory is not declared sacrosanct, for it may appear to be an inadequate basis for moral climate theory in some respects, as will be demonstrated hereafter. When Kohlberg's theory of individual moral development is taken as an entrance for moral climate theory, a sound and appropriate representation of this theory is necessary (based on: Boom & Olthof, 1994; Colby & Kohlberg, 1986; 1987a; Kohlberg, 1984; Kohlberg, 1986; Kohlberg, Levine & Hewer, 1983; Korthals, 1997b; Lapsley, 1996, 41-92; Snarey, 1985; Van Haaften, 1998). This exposition however, needs necessarily be brief. This is not an easy task, since Kohlberg's theory has received a lot of critical attention throughout the last four decades, leading to numerous restatements and divergences worth mentioning. A complete exposition of even the main points of discussion falls beyond scope of this study. Instead, a proper reconstruction is made of the framework and the contents, as well as the more important foundations of this theory. This reconstruction includes a short account of the main issues, including the role of Stage 6 as the final stage of moral development, moral horizon, the deontological bias, the ethics of care approach proposed by Gilligan, and the evaluative question as to which stage is better and on what grounds.

4.4.2 Exposition of Kohlberg's theory

Kohlberg's moral development theory essentially is a theory of *cognitive moral judgment development* that can be reconstructed and described in terms of the different sets of judgment criteria that are typically applied in each of the stages in the assessment of moral dilemmas. Kohlberg was not so much interested in the *content* of choices people make with regard to these moral dilemmas. Instead, he focused on the *criteria* people use in explaining and evaluating the judgment motivating the choice of a particular moral content, since people actually can choose the same moral content for different reasons. Kohlberg's theory is rather about the *structure* of judgment than about its *content* , that is, about general organizing principles or patterns of thought, rather than about specific moral beliefs or opinions. Kohlberg's approach is phenomenological, hermeneutic, and constructivist, since moral judgment identification involves analysis of the constructed meaning and the organization of thought inherent in the individual's response. One of Kohlberg's claims is that each stage has its own typical moral judgment structure. Stages and their structure can be described as sets of judgment criteria with a supposed internal logic of development. Each new stage of development represents a qualitative reorganization of the individual's pattern of thought, interating within a broader perspective the insights achieved at previous stages, thus allowing the individual keeping access to these modes of thinking (Colby & Kohlberg, 1987a, 2, 3, 4, 5).

Important are both the connection between the surface structure of judgments with the underlying judgment criteria and the relations between types of judgment criteria. In fact, Kohlberg took an essential further step by suggesting that each developmental stage in this theory by itself represents a different foundational structure within the moral domain and hence corresponds to a specific way of dealing with moral problems. In fact, there are three *levels of meaning* (please be aware that the term 'level' is used here in another meaning than Kohlberg does in his distinction between the pre-conventional, the conventional and the post-conventional levels, which are themselves may be considered as global stages):

(1) The first level concerns moral claims and expressions of people in concrete situations (for instance, when they are confronted with a moral dilemma).
(2) Second, there is the deeper level of reasons or justifications that are given (either spontaneous or on request) for these claims and expressions.
(3) Third, there is the still deeper level of the foundations of claims and reasons, where at each level the content can be said to have its own specific structure. This can put forward spontaneously by that particular person, or reconstructed - that is: explained hermeneutically, or eventually causally - by some third party, like a social scientist or a therapist, eventually recognized by that person as an appropriate description/explanation of his or her motivating considerations.

The differences in types of justifications matters in Kohlberg's theory - not just the difference in moral claims or justifications - because these types reflect different conceptualizations of what morality is all about, and inspire both moral claims and their justifications. The core meanings of morality are constitutive of the conceptual space within which moral claims and their justifying reasons have their meanings and where their contents come to life. These foundations can be

justified on their turn, asking for new criteria of justification, for instance, adequacy (Van Haaften, 1987a, 62-63; Van Haaften, 1997b, 45-48).

Kohlberg's theory of individual moral development is built upon several claims:

- The theory claims *universal validity*. The logic of development of stages of moral judgment is common to every group of humans, independent of gender, social class, and cultural influences. Development is a move in a direction that is positive for all human beings. However, in a dynamical and factual sense there might be differences due to external factors like unequal opportunities for moral learning. Lapsley (1996, 80-82) and Jensen (2008) give an overview of research concerning - and for the greater part confirming - this point of universal validity in cultural and gender respect. Below, the gender bias issue gets special attention when we examine the contributions of Gilligan, associates and critics.
- Hard structural stages are discrete, non-functional *structured wholes*, underlying organizations of manifest thought operations (modes of moral thinking) expressed in qualitatively different coherent clusters of responses to moral tasks, formal organizations of moral reasoning modes, at least at the logical level. Stages are internally logically consistent and non-situational manifestations of (moral) competence (Kohlberg & Armon, 1984, 383, 384, 388, 389-390). At the dynamical performance level however, people can (and will) judge according to lower stages they have already passed through, dependent of their character and the situations they have to act upon. Styles of moral reasoning of earlier stages remain accessible for use, when necessary.
- The *logic* of moral development includes *three levels* (pre-conventional, conventional and post-conventional), each consisting of two stages, with an *invariant*, *fixed sequence* that does not allow stage-skipping or proceeding in an arbitrary order, but allows hierarchical integration: each next stage displacing, or rather incorporating, modifying, extending, transforming, and integrating the distinctions and discriminations made at previous stages (Kohlberg, 1971a, 195-213; Kohlberg & Armon, 1984, 385, 391). This does not imply, however, that actual development always completes the sequence from Stage 1 to Stage 6. People can (due to dynamical reasons) be blocked in their development, or even regress in their moral performance, as when the factual sequence 1-2-3-2 occurs.
- Moral stage can be identified and assessed empirically through interview methods, tapping the subject's *competence* by asking "should" probe questions ("what should you do?"), attempting to push the upper level of the subject's thinking; alternatively, "would" probe questions ("what would you do") also can tap that person's *performance*. Kohlberg and Colby (1987a, 5) assume that competence and performance in moral judgment may differ to some degree depending on the problem being addressed, the context, and other factors. Apparently, people do not always use their highest stage of moral reasoning.
- The Kohlbergian stage model is both descriptive and normative. The theory contains the *evaluative* claim, that every next stage is both morally and psychologically better than its predecessor(s) (stage N+1 is better than stage N) (each next stage enables the individual to resolve and reconcile moral claims and conflicts arising at earlier stages in a morally better justified way). In Kohlberg's wordings: later developing structures of moral reasoning define

relatively advanced stages of moral development that are more cognitively sophisticated, that is, more complex, differentiated, integrated, logical, and organized, than the structures they displace, since they are based in superior perspective-taking abilities, and activate more prescriptive, universal, and impartial moral decisions (Colby & Kohlberg, 1987a, 6-7). Moreover, as a normative model it also establishes a standard as an (at least hypothetical) endpoint or most equilibrated stage upon which all rational agents could agree (Kohlberg & Armon, 1984, 391).

- Consequently, Kohlberg's theory also contains an *educational* claim, giving educators and others involved the task to help people development to higher stages and refrain from frustrating moral development.

After this brief exposition of the main claims of Kohlberg's theory of cognitive moral development, it is important now to give correct and informative stage descriptions. However, this confronts us with a serious problem. In gross, Kohlberg's stage theory consists of a series of hierarchical ordered judgment structures and criteria that reflect moral decision making in moral dilemmas. It is not easy to give an univocal representation of these stage descriptions, since Kohlberg has reformulated the descriptions of the six stages repeatedly because of new scoring procedures (see Lapsley, 1996, 62-65). Furthermore, he introduced and revoked a seventh stage and the distinction between hard and soft stages, dropped and reintroduced Stage 6, and attenuated the distinction between form and content. A simple solution to this problem would be giving only the most recent formulations. However, this need not be an appropriate course of action. The most recent descriptions might not be the best ones, because the possibility of a wrong track or an unjustified admittance to opponents cannot be ruled out. Furthermore, authors using Kohlberg's stage descriptions do not always take recent formulations. This is so, either because these recent formulations did not exist at that moment, as is the case for Lavoie and Culbert (1978) (discussed in section 2 on the CD-ROM), or because they were unaware of restatements or simply neglected them for some reason (for instance, relying primarily on secondary literature, such as textbooks).

The alternative option, giving a simple reconstruction of Kohlberg's theoretical development (in the sense of Kohlberg I, Kohlberg II, and so on) is difficult, if not impossible, because this development concerns several issues proposed by different critics, discussions taking place at distinct fronts, therefore lacking coherence.
However, those aspects that call our attention in Kohlberg's theoretical development with respect to his stage theory, concern only two related issues. The first issue concerns a broadening of his focus on morality, whereas the second is a shifting away from the initial deontological bias (as appears from his notions of pre-conventional, conventional, and post-conventional morality), incorporating elements of critique from the justice-care debate with Gilligan and others. This means that an appropriate reconstruction of stage descriptions can be given, consisting not only of the initial ones, but also of the amendments accepted by Kohlberg. This procedure allows tracing back the use, other authors made of Kohlberg's theory, including Kohlberg himself while formulating his theory on moral atmosphere.

The stages as distinguished by Kohlberg are made up of judgment structures and founding concepts of morality, and can be described as the answers to three central moral questions:

(a) What is the right thing to do and on what grounds?

(b) Why should one be good and do the right thing to do?

(c) What is the socio-moral perspective (the moral horizon)?

Stages can be described according to the answers given to these questions, kept in mind Kohlberg's initial preoccupation with structure of moral reasoning and criteria in use, and not so much the content of actual choices made. The distinction suggested above between criteria of judgment and concepts of morality is reflected in respectively (a) and (b), whereas in (c) a possible justification for the concept of morality is described: the expanding moral horizon, that is, the characteristic point of view from which individuals formulate moral judgments (Colby & Kohlberg, 1987a, 15, 22-23). This means that with an expanding moral horizon, actual and potential claims and interests of an ever growing number of people (here and there, actual and possible, now and later) are taken into account in moral reasoning. The following stage descriptions (adapted from Kohlberg, 1984, 174-176, with excerpts taken from Colby & Kohlberg, 1987a, 25-32) are taken as a standard, by Kohlberg and associates, though Colby and Kohlberg (1987a, 18-19) take the formulations of Kohlberg (1976) as point of departure, without explaining this choice. A comparison of the two overviews shows no differences for Stages 3, 4, 5 and 6, but reveals minor diversions concerning Stages 1 and 2, notably the social moral perspective in Stage 2 (1976/1987 divergences are represented in italics and between brackets).

- ***Level I: Pre-conventional***

Stage 1: The *heteronomous* morality stage is driven by a naive moral realism implying that moral judgments are self-evident, requiring little of no justification. There is a failure to differentiate multiple perspectives concerning moral issues, though external authorities are recognized. The focus is on avoiding punishment by powerful others (parents, superiors, or law representatives).

What is right?	**Why be right?**	**Sociomoral perspective**
Right is what avoids harm and punishment and brings advantage (not included in the 1976/1997 version). *(Right is to avoid breaking rules backed by punishment, obedience for its own sake, and avoiding physical damage to persons and property)*	Avoidance of punishment, obedience for its own sake, under recognition of the superior power of authorities. *(Avoidance of punishment and the superior power of authorities)*	Egocentric *(point of view)*: interests of other persons are not taken into consideration (*or recognized that they differ from the actor's, doesn't relate points of view*). Actions of others are evaluated according to their physical form and not according their psychological intentions (*interests of others*). *(Confusion of authority's perspective with one's own*).

Stage 2: The *obedience and exchange* stage offers a concrete individualistic perspective, recognizing that each person has interests to pursue and these may conflict. There is a focus on instrumental purposes and exchange in relations, while obedience and compliance take place on instrumental grounds. There are no means for deciding among conflicting claims. The essential Stage 2 maxim is pragmatic: you scratch my back and I'll scratch yours (based on equal exchange, not on equity).

What is right?	Why be right?	Sociomoral perspective
Right is following the rules (and do what are you are told to do) only when it is in your own immediate interest. Right is acting to meet your own *(interests and)* needs and letting others do the same. Right is also what is fair, an equal change, a deal, an agreement.	Serving your own needs or interests (*in a world where you have to*), recognize(e)ing that other people have their interests, too. Complying with rules of exchange is right in your own interest.	Egocentric, but needs and interests of others are seen as different from yours (and possibly conflicting) and are taken into consideration, however, only as long as it serves your own needs and interests. (Alternative 1987 version: *Concrete individualistic perspective. Aware that everybody has his own interests to pursue and these conflict, so that right is relative (in the concrete individualistic sense)).*

- ***Level II: Conventional***

Stage 3: In the *good interpersonal relation* stage (also known as the 'good boy, nice girl stage'), the focus is on mutual interpersonal expectations and interpersonal conformity and approval. This implies prosocial behavior and mutual understanding in terms of mutually trusting relationships, embodied in a set of shared informal moral norms to judge fairness by and according to which people are expected to live (such as the Golden Rule: "do unto others as you would have others do unto you").

What is right?	Why be right?	Sociomoral perspective
Right is living up to what is expected by people close to you or what is generally expected of people in the role of son, brother, friend, mother, colleague. 'Being good' is important and means having good motives, showing concern about others. It also means keeping mutual relationships, such as trust, loyalty, respect, and gratitude.	The need to be a good person in your own eyes and in those of others. Your caring for others. Belief in the Golden Rule. Desire to maintain rules and authority that support stereotypical good behavior.	Perspective of the individual in relationships with other individuals. Awareness of shared feelings, agreements, and expectations that take primacy over individual interests. Points of view are related through the concrete Golden Rule, putting yourself in the others' persons shoes.

Stage 4: In the *social system and conscience* stage, also known as the 'law and order' stage (a term asking to be misunderstood), the individual takes the perspective of a generalized member of society. The focus is on societal rules and interests, transcending the Stage 3 interpersonal and group perspective. The informally shared norms of Stage 3 are systematized at Stage 4 in order to maintain impartiality and consistency.

The perspective taken is that of a societal or religious system that has been codified into institutionalized laws and practices. Moral judgments at Stage 4 are made in reference to societal institutions or systems, either legal or social institutions or moral moral and religious institutions and systems of belief.

What is right?	Why be right?	Sociomoral perspective
Right is fulfilling the actual duties to which you have agreed. Laws are to be upheld except in extreme cases where they conflict with other fixed social duties. Right is also contributing to society, the group, or institution.	To keep the institution going as a whole, to avoid the breakdown in the system "if everybody did it", or the imperative of conscience to meet one's defined obligations.	Societal point of view is differentiated from interpersonal agreement or motives. Takes the point of the system that defines roles and rules. Individual relations are considered in terms of place in the system.

- ***Level III: Post-conventional or Principled***

Stage 5: The *social contract* or *utility and individual rights* stage requires a principle based critical stance to societal laws and others conventions. The prior-to-society perspective is 'society-creating' rather than 'society-maintaining'. It is the perspective of a rational moral agent aware of universalizable values and rights that anyone would choose to build into a society. The validity of actual laws and social systems can be evaluated according to the degree to which they preserve and protect these fundamental human rights and values. Within the Stage 5 perspective, the primary focus may be either on rights or on social welfare, the latter reflecting a rule utitilitarian morality in which social institutions, rules, or laws are evaluated by reference to their long-term consequences for the welfare of each person of group in society.

What is right?	Why be right?	Sociomoral perspective
Right is being aware that people hold a variety of values and opinions, and that most values and rules are relative to your group. These relative rules should usually be upheld, however in the interest of impartiality and because they are the social contract. Some nonrelative values and rights like *life* and *liberty* must be upheld in any society and regardless of majority opinion.	A sense of obligation to the law of one's social contract to make and abide by laws for the welfare of all and for the protection of all people's rights. A feeling of contractual commitment freely entered upon, to family, friendship, trust, and work obligations. Concern that laws and duties be based on rational calculation of overall utility, "the greatest good for the greatest number".	Prior-to-society perspective of a rational individual aware of values and rights prior to social attachments and contracts. Integrates perspectives by formal mechanisms of agreement, contract, objective impartiality, and due process. Considers moral and legal points of view, and recognizes that they sometimes conflict and finds it difficult to integrate them.

This principled stage requires a complex moral competence: being critical to existing societal laws and conventions and being able to formulate new, better rules or conventions with a higher justice caliber. As the second aspect of this competence is harder to meet than the first, sometimes an in-between Stage 4½ is formulated, indicating that a person is critical from a principled stance, but not capable yet of formulating better moral conventions. However, it is questionable, whether this in-between stage is a real logical (sub)stage from the point of view of a logic of development, or just an empirical finding indicating that someone has not reached fully the logical Stage 5 for some dynamic reason.

Stage 6: In the *universal ethical principles* stage, the focus is on those autonomously chosen moral principles that have universal validity, expressed in terms of human rights, care and responsibility. Stage 6 is expressed in explicit statements of the intrinsic worth, dignity, or equality of every human being. It expresses the Kantian based virtue or attitude of respect or care for persons as ends in themselves, not solely as means to achieving other values, no matter how lofty or desirable, such as the good of society or human survival and development (Colby & Kohlberg, 1987a, 30, 31). The sixth stage is considered (by, for instance, Habermas) as the "moral point of view", a point of view that ideally all human beings should take toward one another as free and equal autonomous persons. This means equal consideration of the claims or points of view of each person affected by the moral decision to be made. The perspective role taking is governed by procedures (inspired by, among others, Rawls and Habermas), designed to ensure fairness, impartiality, or reversibility in role taking. Stage 6 can be considered as the end-state of moral development, the moral ideal, and as such the only real moral stage and normative reference point that yields judgments of psychological and ethical adequacy serving as the standard of moral evaluation and providing criteria for assessing the adequacy of moral positions as well as the grounds for rejecting ethical relativism. As summarized by Lapsley (1996, 46):

> "Relativism is combated by the natural developmental tendency to seek the highest stage of development, at which point one is best able to distinguish the prescriptive and universalizable elements of a moral judgment from mere conventional considerations. One sees, at the highest stage, that moral reasoning has a universalizable intent and that agreement and consensus are necessary and desirable features of moral discourse."

It is tempting, tough incorrect considering Stage 6 as a special case of Stage 5. Whereas Stage 5 is grounded on the notion of contract, Stage 6 is oriented to the process by which we reach contracts as well as to ensuring the fairness of the processes that underlie such agreement. The problems in stage 5 of balancing the notion of fixed contract with the underluing notions of trust an community are resolved in Stage 6 through the operation of free dialogue.

However, this does not exclude the possibility of further development into yet unknown stages, as Kohlberg attempted in formulating the outline of a possible seventh stage, to be considered hereafter.

What is right?	**Why be right?**	**Sociomoral perspective**
Right is following self-chosen ethical principles. Particular laws or social agreements are usually valid because they rest on such principles. When laws violate such principles, one acts in accordance with the principle. Principles are universal principles of justice: the equality of human rights and respect for the dignity of human beings as individual persons.	The belief as a rational person in the validity of universal moral principles, and a sense of personal commitment to them.	Perspective of a moral point of view from which social arrangements derive. Perspective is that of any rational individual recognizing the nature of morality or the fact that persons are ends in themselves and must be treated as such.

In the next section, critical examinations and proposed elaborations of the Kohlbergian paradigm will be explored, insofar as they relevant to moral climate theory.

4.4.3. Critical examinations and elaborations of the Kohlbergian paradigm

After having outlined Kohlberg's cognitive moral developmental theory, I subsequently explore some of its critical examinations and suggestions for elaboration. There are limitations and objections, for instance, concerning

- the alleged cultural and gender bias (a Western male theory excluding women and non-Western cultures)
- the antirelativist and formal orientation on social contract and justice-based philosophical theories (Locke, 1980; Puka, 1991)
- the nature of stages, the intuitive basis of the six stages of moral reasoning and the arbitrary stage descriptions (Commons et al, 1998; Locke, 1979, 171)
- the invariant sequence of stages and their logical necessary order (Locke, 1979)
- the conceptualization of high-level moral thinking and its elitist nature (Dawson, 2002)
- the disruptive impact of post-conventional morality
- the problematic nature and function of Stage 6 as an end-point standard (Locke, 1980; Puka, 1990; 1991)
- the moral evaluation of development
- lack of both reliability and predictive validity, as well as construct validation of both the theoretical model and the scales used
- research methodology (the use of hypothetical dilemmas instead of real-life dilemmas, and the possibility of using paper-and-pencil questionnaires instead of moral judgment interviews, in general, the reliance on verbal self-reports as a primary data source and the complicated scoring procedures)
- the way stage transition happens
- the possibility and meaning of moral regression
- the complex relationship between moral thought and moral action

(Blasi, 1980; Bloom, 1986; Broughton, 1978; Crain, 1985, 135-136; Dawson, 2002; Eddy, 1988; Gibbs, 1977; 1979; Jensen, 2008, 292-293; Kurtines & Greif, 1974; Locke, 1979; 1980; Puka, 1986/1990; 1991; Snarey, 1985; Snell, 1996; Treviño, Weaver & Reynolds, 2006, 955; Weber, 1990; 1991; Weber & Wasieleski, 2001).

Does this mean that because of this critical issues, Kohlbergian theory is in danger of becoming a 'degenerating research programme', in Lakatos's terms (Lakatos, 1968, 163-164; Locke, 1979, 168, 181)? Though foundational inquiry should examine these issues unconditionally, it is unfeasible to discuss them all in detail. For instance, Broughton (1978) has dismissed the reproach of not delivering reliable and valid results (Kurtines & Grief, 1974) as largely ungrounded because of misrepresenting research findings. According to Broughton (1978, 81), these misunderstandings largely reflect a common and mistaken attempt to reduce structural development in cognition to static psychometric traits, an attempt which confuses developmental theories with measure instruments. To determine who is right, a large explorative meta-analysis

of Kohlbergian research that clearly falls beyond the scope of the present study.
The Kurtines & Greif – Broughton controversy demonstrates that some of these supposed flaws are not so much shortcomings. They rather point at serious misunderstandings by authors, who, for instance, confuse moral content and moral form/structure, confuse moral competence and moral performance[76] (for instance, Locke, 1979), confuse model and measure, or because of not having taken notice of more sophisticated formulations of Kohlberg's theory (because these were not written yet, that is, some criticisms are dealt with in later publications, as we shall see). Furthermore, it may even be the case that the level of moral development of the criticizing psychologists themselves may have played tricks upon them, an argument (too quickly) rejected by Locke (1979, 170) for being both amusing and suspect for downgrading opponents of his theory. Nevertheless, critics may feel that Kohlberg's theory is disruptive and dangerous when people place their own moral principles above societal rules. According to Crain (1985, 135), it may be that many psychologists react to Kohlberg in a similar way, and that this reaction underlies many of the debates over the scientific merits of his research.
In the present study, Kohlberg's theory is taken as a promising framework for capturing organizational morality, precisely because of both its well-wrought structure and its extensive empirical testing and confirmation (as was already indicated in chapter 1, while referring to Crain, 1985, 136). Nevertheless, alleged inadequacies or unjustified assumptions in Kohlberg's theory cannot be ignored. In the analysis of moral climate theory - of which the results are shown and discussed in chapter 5 -, one of the core dimensions of the format described in chapter 2 is the way authors do relate to the Kohlbergian paradigm, either to Kohlberg's own writings or to the version of Rest. Being ahead on the conclusions, more in particular the results show that the major part of the authors base their research on the theory of Kohlberg, though quite often in a way that does not pay justice to it. This may partly be due to inadequate understanding of the theory - leading to the confusion of content and structure just mentioned. However, it may also partly be due to the limited focus of the Kohlbergian paradigm itself. Therefore, only those issues regarding to Kohlbergian theory affecting moral climate theory will be explored.

I /II Conceptual and typological issues
- (1) Inadequate conceptualization of organizational moral horizon
- (2) Moral judgment and rationality bias
- (3) Deontological bias and "ethic of care"
- (4) The meaning of Stage 4
- (5) Nature and function of Stage 6
- (6) The possibility of a seventh, spiritual stage
- (7) Stage-consistency

III Empirical issues
IV Evaluative issues
V Interventional issues

I/II Conceptual and typological issues

An important issue is the degree of comprehensiveness of Kohlberg's theory of cognitive moral

development. When the purpose is constructing a moral climate theory in terms of dominant styles of moral reasoning (conceived of as moral justification strategies), all relevant prevailing styles should be included in theory construction and research.
In case of incompleteness or bias, out of two types of solutions can be chosen. One solution is the possible introduction of extra stages for those styles of moral reasoning that were ignored so far. The other solution is that existing stage descriptions should be adapted in order to accommodate unclassified styles of moral reasoning. I will use both options, but in such a manner, that it maintains and saves as much as possible of Kohlberg's initial theory to avoid communication problems of the type that Stage 4 in my version differs from Stage 4 in any other representation of Kohlberg's theory.

(1) Inadequate conceptualization of organizational moral horizon

As we have seen above, the variety of the moral horizon is much larger than is represented in cognitive moral developmental theory. Particularly, Kohlberg's theory does not conceptualize satisfactorily those forms of moral position taking that has the organization as its referent and perspective. Kohlberg's own solution comes down to equating the orientation of the norms of a small organization with Stage 3, and those of larger organizations with Stage 4. Kohlberg does not explain where the dividing line between the two perspectives is situated exactly. Furthermore, it is rather self-evident that the Stage 3 type of morality is quite different from the organizational perspective, let alone from the societal perspective. This halfhearted solution ignores the specific character of the organizational level. From the perspective of moral climate theory, it is a rather inelegant and curious move to ignore this level.

Fortunately, parts in Kohlberg's work on "moral atmosphere" and "the just community approach" (Power, Higgins & Kohlberg, 1989, 259, 260, 291) are pointing toward an in-between stage, that is, a distinct stage in between Stage 3 and Stage 4. In the same way, Higgins and Gordon (1985, 255-257) experienced scoring problems with answers between Stage 3 and Stage 4, proposing a Stage 3/4 formulation. In the same vein, in his meta-analysis of Kohlbergian research data, Dawson (2002) found strong indications for the existence of a Stage 3/4, in line with assertions made by Commons et al (1998, 247).
Perhaps, Kohlberg and his associates were uneasy and puzzled with the consequences of the awareness of the necessity of organization-related stage. They did acknowledge the possibility and the necessity, but did not adapt the numeration of the stages. A reason for this possibly is the degree of acceptance and the established character of cognitive developmental moral theory. Exactly for this reason, we must preferably not change the numeration of the stages but indicate the additional stage as Stage 3/4. It is an essential characteristic of the just community approach of Kohlberg and associates, that schools, kibbutzim, and prisons are considered a source of and even a condition for development of their inmates when they are invited to learn to function in society at large. The idea (borrowed from Durkheim and Dewey) is that a school or a prison is a small-scale society – a necessary bridge between the family and the outside society - in which one can practice in democratic skills for living in that outside society properly. It can be argued that there is a logical urgency, empirical evidence, and a psychological device for an in-between Stage

3/4 of moral development.
The *logical* necessity stems from the idea that the small group and society at large are two circles around the individual, but with a logical gap of the organizational perspective. It is a way to conceptualize "the organization (wo)man" and the personal and organizational payoffs (Whyte, 1956; Randall, 1987) from a moral perspective[77].
Furthermore, there is the *empirical* evidence (also of Kohlberg and associates) that most people were and/or are taking part in organizational settings, including primary or secondary school, a sports club, or any other kind of association, or jobs on the side when in high school or otherwise. That is, almost everybody has been confronted with moral reasoning from the perspective of a moral horizon that goes beyond group rules and interests and is characterized by the relative anonymity of organizational membership, but does not yet reach the societal perspective. This empirical evidence points at a necessary in-between Stage 3/4. From the logic of development, it can be argued that such an in-between Stage 3/4 is logical necessary stage for people to go through, because otherwise they cannot learn to function in society properly.
The in-between Stage 3/4 has also a *psychological* (and, therefore *practical*) advantage. It shows the moral dilemmas that occur when organizational members feel forced to choose between organizational interests (making profit) and societal interests (complying with the law), or between group (team) interests and organizational interests, in short, respectively between a Stage 3/4 and a Stage 4 perspective, and a Stage 3 and a Stage 3/4 perspective. Kohlberg's initial theory hampers proper representation of these moral dilemma types.

The claim of an in-between stage can also be substantiated by considering moral deliberation and moral action as being specific to situations, roles, tasks and assignments. The position is defended by Commons et al (1988, 238, 239, 240, 245, 252) claiming that (moral) stages are not mental structures based on ad hoc descriptions of sequential changes in human behavior lacking a solid a priori foundation in logic, but on hierarchical complexity of tasks and then on performance on these tasks. The hierarchical complexity means that every task (unless it is a simple task) therefore contains a multitude of subtasks. *Concatenation* is the term to denote this "nesting" of lower order tasks within higher order tasks. The hierarchical complexity of a task therefore refers to the number of concatenation operations it contains. For a task to be more hierarchically complex than another, the new task must meet three requirements. The new task-required action must (1) be defined in terms of the lower stage actions and (2) coordinate the lower stage actions in a (3) nonarbitrary way. Stage then is defined as the highest order of hierarchical complexity on which there is successful task performance. This asks for a classification of tasks and activities underlying (moral) development, for instance in terms of jobs and activities, organizations, political systems, or economic systems. Measures ignoring the hierarchical complexity of tasks may collapse the performances obtained in ways that obscure the factor(s) that are actually causing the variability in behavior. From the perspective of the General Model of Hierarchical Complexity (GMHC), developmental theory should address two conceptually different issues: (1) the hierarchical complexity of the task to be solved and (2) the psychology, sociology, and anthropology of how such task performance develops. GMHC uses

> "the hierarchical complexity of tasks as the basis for the definition of stage. An *action* is at a given stage when it successfully completes a task of a given hierarchical order of complexity. Roughly,

> *hierarchical complexity* refers to the number of nonrepeating recursions (NB: the process by which the output of the lower order actions forms the input of the higher order actions, HB) that the coordinating actions must perform on a set of primary elements. Actions at a *higher order of hierarchical complexity*: (a) are *defined* in terms of the actions at the next lower order of hierarchical complexity; (b) *organize* and *transform* the lower order actions; (c) produce organizations of lower order actions that are new and *not arbitrary* and cannot be accomplished by those lower order actions alone.
> In addition, the model describes discrete orders of hierarchy of task complexity, sets forth a set of axioms that have to be satisfied in order to define a stage sequence, and describes the necessary analytical properties of hierarchical orders. It does not posit detailed empirical forms of stages or the empirical processes that cause stage change. Nor does the existence of stages or of stage sequence shown through task analysis depend on any particular psychological assumptions about stage or stage change (…). With tasks as the fundamental elements to be measured, task analysis and the sequential ordering of tasks are alone sufficient to form a "stage" sequence. From the order of hierarchical complexity of tasks, then, it is possible to derive an analytic measure of stage" (Commons et al, 1998, 240-241)[78].

From the perspective of GMHC, for each type of organization, tasks and assignments can be described at the organizational level, which its own level of complexity. Implicit in this formulation is the notion that organizational tasks and assignments are more complicated than tasks and assignments on the group or unit level, and less complicated than tasks and assignments at the societal level. As we shall discuss below, these tasks and assignments can be connected with moral competence that lie below or above, or match these tasks and assignments. In short, a Stage 3/4 moral perspective can also be substantiated by pointing at tasks structures on the organizational level. It is quite another question whether this maneuver effectively deals with the reproach of the ad hoc character of stage descriptions. It is the question, whether GMHC is able to detect organizational tasks and assignments on pure logical grounds, though Commons et al claim to be able to do so.

In chapter 5 - in which extant moral climate literature is discussed - inevitably attention needs to be paid to this theme, as Kohlberg and associates in fact pointed at stage in between Stage 3 and Stage 4. They presented some argumentation as to why this stage is a necessary stage, but did not adapt the framework of developmental stage, probably for the reason just mentioned. This in-between Stage 3/4 concerning organizational morality in Kohlberg's stage model can be characterized as follows:

What is right?	**Why be right?**	**Sociomoral perspective**
Right is fulfilling the actual duties of the organization you have agreed upon. Rules and prescriptions of the organization are to be upheld except in extreme cases where they conflict with other fixed social duties. Right is also contributing to the organization.	To keep the organization going as a whole, to avoid the breakdown in the organization or harm the effectiveness of the organization and the principles of the organization as a moral community by meeting the defined obligations to the organization.	Organizational point of view is differentiated from interpersonal agreement or motives. Takes the point of the organization as a system that defines roles and rules. Individual relations are considered in terms of place in the organization as a system and a moral community.

(2) Moral judgment and rationality bias

An important objection to Kohlberg's theory of cognitive moral development is its cognitive nature and its emphasis on moral reasoning, at the neglect of other aspects of morality. Generally, in the thoughts and actions of persons who think and act morally, four aspects of morality can be distinguished:

(1) The empathic and perspective taking competence to interpret the social context as populated by persons who have feelings and desires, opinions and points of view, and who feel moral obligations (being morally sensitive).

(2) The competence of persons to give a (more or less) rational justification of their moral norms, concerning the question: is this moral rule right? This is sometimes called the "legislating" aspect of morality, be it in a teleological, deontological, aretaic or axiological fashion, singular, or combined (as in social contract theories).

(3) The juridical aspect of morality involves the application of norms to particular situations, guided by questions such as "What ought I to do here and now?", and "Which norms are relevant to this particular moral problem?"

(4) The motivational aspect of morality concerns the capacity to act according to self-chosen norms, which requires ego-control and self-confidence.

The broadening of Kohlberg's focus on morality implies a shift from the exclusive attention for the juridical aspect of morality to a growing sympathy for the empathic and motivational aspects. The model of Rest (1984) describes four components of morality, that is, four processes with distinct functions in moral decision-making. These processes do not represent a linear decision-making model; persons do not move through each component one at a time in a certain order. Moreover, a person with greater facility on one process will not necessarily be adequate on another process (Rest, 1984, 27, 33):

1. The major function of component I is to interpret the situation in term of how one's actions affect the welfare of others. Cognitive-affective interactions involved are drawing inferences about how the other will be affected, and feeling empathy, disgust, and so on, for the other.
2. The major functions of component II are to formulate what a moral course of action would be and to identify the moral ideal in a specific situation. Cognitive-affective interactions involved in the construction of systems of moral meaning are both abstract-logical and attitudinal-valuing aspects. The idea is that moral ideals are composed of both cognitive and affective elements.
3. The major functions of component III are to select among competing value outcomes of ideals, the on to act on, and deciding whether or not to try to fulfill one's moral ideal. Cognitive-affective interactions involved are calculating the relative utilities of various goals, mood-influencing outlook, defensive distortions of perception, empathy-impelling decisions, social understanding motivating the choice of goals.
4. The major function of component IV is to execute and implement what one intends to do. The cognitive-affective interaction involved is task persistence as affected by cognitive transformation of the goal.

In addition, Rest (1984, 35) has also identified a number of situational factors influencing each component:

Component I:	Component II:
- ambiguity of people's needs, intentions an actions - familiarity with the situation or the people in it - time allowed for interpretation - degree of personal danger and susceptibility to pressure - preoccupation with other component processes - sheer number of elements in the situation and the embeddedness of crucial cues - complexity in tracing out cause-effect chains - presuppositions and prior expectations that blind a person to notice or think about certain aspects	- factors affecting the application of particular social norms or moral ideals, or their "activation" - delegation of responsibility to someone else - prior conditions, promises, contracts, or expectancies affecting role responsibilities, reciprocity, or deservingness - the particular combination of moral issues involved - preempting of one's senses of fairness by prior commitment to some ideology or code
Component III	**Component IV**
- factors activating different motives other than moral motives - mood states influencing decision-making - factors influencing estimates of costs and benefits - factors influencing subjective estimates of the probability of certain occurrences - factors affecting one's self-esteem and willingness to risk oneself, defensively reinterpreting the situation by blaming the victim, denying need or deservingness.	- factors that physically prevent one from carrying out a moral plan of action - factors that distract, fatigue, or disgust a person - cognitive transformations of the goal - timing difficulties in managing more than one plan at a time

This neo-Kohlbergian elaboration of Kohlberg's theory cannot be ignored, if only not because a number of moral climate authors (also) rely on the theory of Rest rather than on Kohlberg's model (only) (Andreoli & Lefkowitz, 2008; Arnaud, 2006; Arnaud & Schminke, 2006; Arnaud & Schminke, 2007; Brower & Shrader, 2000; Brown & Treviño, 2006; Caldwell & Moberg, 2007; Elm & Nichols 1993; Forte 2004a; Forte 2004b; Kish-Gephart, Harrison & Treviño, 2010; Lemmergaard, 2004; Maesschalck, 2004; Schminke, Ambrose & Neubaum, 2005; Treviño, 1992; VanSandt, 2001; VanSandt, Shepard & Zappe, 2006).

Though this is not the place to make an extensive comparison of the theories of Kohlberg and Rest, some remarks need to be made for proper understanding further steps in dealing with issues concerning Kohlberg's theory of cognitive moral development, notably concerning research methodology. According to Elm and Weber (1994, 343-345), an important difference between these theories lies in the core concept that defines the different stages, in the conceptualization of stage structures and in the means by which the cognitive structures are applied by an individual. Rest (1979) uses a slightly different conception of the morality of justice than Kohlberg. Although both theories define stages using a concept of justice, Kohlberg's theory defines stages primarily in formalistic terms (reversibility and universalizability imply that justice exists within the individual), while Rest's theory characterizes the concept of justice at each stage based on how different concepts of social cooperation can be organized.

The theoretical foundation underlying Rest's model of moral judgment begins with the idea of social justice. Individuals are born into associations of people and must balance their own interests with those of others in the association. Therefore, the problem of justice becomes one of balancing interests in social cooperation and achieving equilibrium through that balance.

Thus, In the model of Rest, moral thinking is based on assignment of rights and responsibilities in a social system to provide cooperation and stability. Rest conceptualizes moral reasoning as a function of two factors: the set of concepts an individual holds of how people form mutual expectations about the coordination of their behavior (from rudimentary concepts of shared expectations to concepts of mutual expectations based on the logic for an ideal system of cooperation), and the individual's perception of the distribution of benefits and burdens (how various interests are balanced to achieve a just contribution). As such, each of the stages in Rest's model has a distinct concept of morality as justice, with justice as social cooperation which underlies it (as represented in the scheme below).

stage	coordination of expectations about actions (how rules are known and shared)	schemes of balance (how equilibrium is achieved)	general concept for determining moral rights and responsibilities
1	the caretaker makes known certain demands on the child's behavior	the child does not share in making rules, but understands that obedience will bring freedom from punishment	the morality of obedience: "Do what you're told"
2	although each person is understood to have his own interests, an exchange of favors might be mutually decided.	if each party sees something to gain in an exchange, then both want to reciprocate	the morality of instrumental egoism and simple exchange: "Let's make a deal"
3	through reciprocal role taking, individuals attain a mutual understanding about each other and the on-going pattern of their interactions.	friendship relationships establish a stabilized and enduring scheme of cooperation. Each party anticipates the feelings, needs and wants of the other and acts in the other's welfare	the morality of interpersonal concordance: "Be considerate, nice, and kind, and you'll get along with people"
4	all members of society know what is expected of them through public institutionalized law	unless a society-wide system of co operation is established and stabilized, no individual can really make plans; each person should follow the law and do his particular job, anticipating that other people will also fulfill their responsibilities	the morality of law and duty to the social order: "Everyone in society is obligated and protected by the law"
5	formal procedures are institutionalized for making laws, which one anticipates rational people would accept	law-making procedures are devised so that they reflect the general *will of the people, at the same time insuring certain basic rights to all. With each person having a say in the decision process, each will see that his interests are maximized while at the same time having a basis for making claims on other people	the morality of societal consensus: "You are obligated by whatever arrangements are agreed to by due process procedures"
6	the logical requirements of non-arbitrary cooperation among rational, equal, and impartial people are taken as ideal criteria for social organization which one anticipates rational people would accept	a scheme of cooperation that negates or neutralizes all arbitrary distribution of rights and responsibilities is the most equilibrated, for such system is maximizing the simultaneous benefit to each member so that any deviation from these rules would advantage some members at the expense of others	the morality of non-arbitrary social cooperation: "How rational and impartial people would organize cooperation is moral"

This theoretical foundation differs from Kohlberg's in the conceptualization of morality as justice described above. Moral thinking, according to Rest, is based on the social justice achieved through balancing different interests and assigning rights and responsibilities to provide cooperation. Kohlberg's concept of justice is similar, but has a slightly greater emphasis on rights and responsibilities assigned to an individual by others and by himself/herself. Thus, in Kohlberg's theory, justice exists within the individual, whereas, in Rest's theory, it does not. More important, however, is the difference concerning the architecture of the stage structure, hard

stages in Kohlberg's model, soft stages in Rest's model in which an individual's level of moral reasoning is a composite of various types of thinking represented by several adjacent stages. Thus, an individual is never in or out of a given stage. Kohlberg's model says that individuals can be located in a particular time, and that the reasoning structures appropriate to that stage will be consistent across situations. As such, in the Kohlbergian model, the stages are discrete ("hard"), and no stage mixtures regarding a response to a particular moral question are possible unless it is the (short) "transition" phase as an individual passes onto the next stage (though matters are somewhat more complex, as will be discussed below)[79].

Apart from the neo-Kohlbergian turn, from several quarters, cognitive moral theory is blamed for exposing a rationality bias (for instance, Bargh & Chartrand, 1999; Bargh & Ferguson, 2000; De Cremer, 2009; Haidt, 2001; Krebs & Denton, 2005, 645; Locke, 1979; Reynolds, 2006; Sonenshein, 2007; Sunstein, 2005; Treviño, Weaver & Reynolds, 2006, 958-959). The idea, inspired by modern neuropsychological research, is that morality is rather based on intuitive and affect-based (good/bad; like/dislike; boo/hurray) error-prone moral heuristics (moral shortcuts) than on conscious rational information processing, intentional moral deliberation, and systematic evaluation of moral judging and acting. It is assumed that automatic, unconscious, and, hence, largely uncontrolled processes can be accounted for moral judgment and behavior, to be explained and justified post hoc as sense-making rationalizations to reinforce desired behaviors and punish undesired behaviors. These rationalizations may be self-serving based on processes of *moral disengagement*, a term indicating an individual's propensity to evoke cognitions which restructure one's actions to appear less harmful (euphemistic labeling, or minimizing, ignoring, or misconstruing consequences), minimize one's understanding of responsibility for one's actions, or attenuate the perception of the distress of others (Bandura, 1999, 193; Moore, 2008, 129). In the worst case, the ultimate purpose is ethical fading (Tenbrunsel, 2005, 96). However, a closer look at the arguments allow adopting the position to maintain that moral intuitions and moral emotions are nothing more (and nothing less) than embodied previous experiences that make possible pattern-recognition ("thinking fast"), patterns that can be made explicit by reflection ("thinking slow") (Kahneman, 2011; Stanovich, 2011). In the same vein, LeDoux (1996) suggested that information might be processed via a "high road" (that involves identifying and analyzing stimuli before emitting an appropriate emotion) and a "low road" (leading directly to an emotional reaction). From the ethics corner, Hare (1982, 31-32) distinguished between level-1 and level-2 thinking, or between principles employed at these levels. Level-1 principles are "implanted" and are for use in practical moral thinking, especially under conditions of stress, and therefore need to be of ready application in the emergency (without being rules of thumb). Level-2 principles are selected and are what would be arrived at by leisured moral thought in completely adequate knowledge of the facts, in "a cool hour" in which there is time for unlimited investigation of the facts and there is no temptation to special pleading.

What do these maneuvers imply for moral climate theory as an organization theory? At first glance, the answer would be "nothing at all", when moral climate is defined in terms of dominant styles or modes of moral reasoning using Kohlberg's stage descriptions as the foundation of a developmental moral climate typology. However, this answer may be shortsighted when taken

into account that the four components of morality ideally are entangled in all moral decision-making processes, meaning that moral judgment cannot be separated from the other components. In this sense, the definition of moral climate could be expanded to the dominant style of perceiving and interpreting, judging, motivating, and acting concerning moral issues. However, all these instances are stage-related and can hence be described in terms of the developmental stages identified and described by Kohlberg and associates. As I see it, moral judgment structures generate perceptions and interpretations, determine judgment and moral motivation, and guide moral action. As an organizational theory, these judgment structures may be the dominant element of the moral climate concept. The neo-Kohlbergian elements and non-cognitivist objections may apply primarily to the individual level of analysis rather than to the organizational level. From this perspective, these new insights have a threefold value for moral climate theory.

1) When comparing moral climate of an organization (or its formal or informal subsystems) to the moral characteristics of individuals, the neo-Kohlbergian elaboration helps arriving at a more detailed and profound image of these characteristics.
2) Moral intuition, described an emotionally driven seeing without explicit argument (error-prone pattern-recognition), may be the primary faculty through which individuals perceive moral climate.
3) The error-prone character of intuitive and embodied pattern-recognition may be an essential argument against the perceptual approach of organizational climate and an emic view while favoring an attribute approach based on an ethic view with suiting research methods and techniques.

For now, the theory of Kohlberg is taken as the point of departure, since most if not all theorists and researchers have done to so, too. Within this context, it would be confusing to use a diversion of Kohlberg's theory as a foundation for moral climate theory. Only in the discussion of moral climate research, we can conclude as to what the merits are of broadening of the moral part of moral climate theory. For instance, from a theoretical point of view, one might consider collective patterns of moral sensitiveness and collective patterns of moral motivation.

As I will discuss below, this broadening of the focus on morality goes along with an abandoning of deontological one-sidedness of Kohlberg's theory of cognitive moral development. Although in his initial stage formulations Kohlberg needed room for teleological modes of thinking (of a primitive kind in the pre-conventional stages and of a more sophisticated rule-utilitarian kind in the post-conventional stages) in the service of deontology, later reformulation shows a willingness to incorporate other modes of moral arguing, especially from aretaic or virtue ethics. Virtue ethics may focus upon both intrinsic moral virtues and instrumental virtues as motivators to put moral judgment into moral action.

(3) Deontological bias and ethic of care

In the development of moral reasoning outlined by Kohlberg, the strategies of moral justification discussed earlier are in fact put in both a hierarchical order and in the perspective of an ever-

widening moral horizon. Put briefly, teleological (consequentialist) argumentation of a primitive kind (ethical egoism) is succeeded by deontological argumentation (local and societal rules), and principled social contract or universalized moral reasoning (based on rule utilitarian moral reasoning).

Kohlberg (1976; see also, Colby & Kohlberg, 1987a, 11)) was aware of a diversity of strategies of moral justification, including normative standards including rules and roles (deontological), consequences of actions for the welfare of others(utilitarian/teleological), perfectionistic seeking of harmony and integrity and orientation on the virtues the ideal self (aretaic), and orientation on values including justice/fairness and equity (axiological). However, in this representation of the developmental aspects of morality, it becomes apparent that Kohlberg's point of reference is primarily Piagetan oriented formalistic and deontological, particularly in the way he considers conventional stages. In pre-conventional and post-conventional stages consequentialist forms of moral reasoning are included (Colby & Kohlberg, 1987a, 24). Therefore, the description of the developmental stages is deontologically biased (Puka, 1991, 374). By implication, for instance, consequentialist moral argumentation may be shed insufficient light upon, as may be true for virtue ethics and axiological ethics. Kohlberg's approach of moral judgment structures may be unnecessarily narrow or even biased, an important issue of divergence between Kohlberg and Dewey, as was emphasized by, for instance, Carlin (1981), Eddy (1988), and Kang and Glassman, (2010) when examining the degree to which Kohlberg is "a disciple of Dewey". Based upon the discussion of types of moral justification presented above and the concept of moral horizon, Kohlberg's developmental scheme can be evaluated and extended with other forms of moral position taking.

The first issue does not concern the neglect of consequentialist ethics, but of moral rules and virtues. It can be questioned whether Stage 2 reflects solely consequentialist modes of moral reasoning. The maxim "You scratch my back and I'll scratch your" does not only knowledge of goals and interests of one oneself and the other person(s) involved, but also adherence to certain elementary conventions of exchange, including "make an equal exchange", " a square deal", "take equal shares", "share and share alike", and so on, albeit out of enlightened self-interest. It is with regard to Stage 2, that Kohlberg ignores implicit argumentation based upon rules of behavior, and also neglects the primitive notion of moral principles concerning equal exchange and fair deals, and accompanying virtues.

Concerning Kohlberg's descriptions of Stage 3 and Stage 4 moral reasoning, a certain one-sidedness can be perceived. These conventional stages are described deontological (argumentation based upon rules) with a moral horizon of respectively local rules (the small group, the family, the team) and societal rules (including laws and law-like arrangements such as collective labor agreements and covenants). In these formulations, there seems little room for other strategies moral justification within the same moral horizon. However, when we take the concept of moral horizon as a point of departure and combine these perspectives with forms of moral position taking, the descriptions of Kohlberg's Stage 3, the additional Stage 3/4 , and Stage 4 can easily be extended with other versions. This phenomenon can be described as "branching". However, other conceptualizations are possible. For instance, the apparent ambivalence that is

inherent to Kohlberg's formulation of Stage 3 can easily be resolved by making a distinction between a consequentialist orientation on the effects of (not) adhering to local (group level) rules (inclusion or rejection) and a deontological orientation that subscribes to these rules intrinsically. This distinction makes Stage 3 not entirely rule oriented, but describes in fact to substages, the first of which could also be conceived of as an advanced version of Stage 2 ("If I stick to the group rules, I can be/stay a member of the group") or a transitional stage. Please not that this description is not an example of branching, but an attempt to sort things out and put in developmental order. Branching means that different argumentation schemes exist within the same moral developmental stage, for instance in Stage 3:
- doing X because it contributes to the interest of the group (consequentialist)
- doing X because it is in line with group rules that are subscribed to intrinsically (deontological)
- doing X because it stems from virtues endorsed within the group (areatic)
- doing X because it is a perfect translation of group values (axiological).
For Stage 4, similar formulations may be chosen. The moral horizon is that of society at large, with a deontological argumentation schema: orientation on societal rules, more in particular laws and law-like regulations. However, different formulations are possible, as the example shows. A corporation chooses to recycle its garbage, because
- it fulfills the value of being economical with scarce resources (axiological)
- the corporation intends to a responsible citizen (aretaic)
- adheres intrinsically to rules (laws) that prescribe recycling of garbage (deontological)
- it promotes certain effects including not passing on garbage issues to future generations or leaving them scare resources (consequentialist).
Of course, for the in-between Stage 3/4, similar formulations can be identified, by referring to
- organizational values (as put forward in, for instance, mission statements) (axiological);
- virtues that are organization directed (including loyalty, commitment, dedication, fidelity, faithfulness, solidarity, reliability, trustworthiness) (aretaic);
- organizational rules and protocols (including organizational codes of behavior, company regulations) (deontological);
- organizational goals and interests (including the viability and profitability) (consequentialist).
As such, these three conventional stages may not be that "conventional" (that is, based on conventions) at all, since orientation on conventions may prove to be one of the possible ways of branching. Branching may be an important way of differentiating between moral climate types within the same breadth of constituency or moral horizon.

An important divergence is the ethic of care as proposed by Gilligan and others. Since Gilligan's theory represents an attack on Kohlbergian paradigm and is referred to occasionally in moral climate literature, Gilligan's point needs to examined. Gilligan's initial point concerns the supposed gender bias of Kohlberg's theory of moral development. As summarized by Lyons (1983, 127), Gilligan hypothesized (I) that there are two distinct modes of moral judgment - justice and care - in the thinking of men and women, (II) that these are gender-related, and (III) that modes of moral judgment might be related to modes of self-definition. Men tend to argue morally along the lines of *justice*, whereas women tend to prefer an ethic of *care*. These two

conceptions of morality and the perspectives towards others are constructs, and as such represent ideals containing strengths and weaknesses. Equality is an ideal and a strength of a morality of justice; the consideration of individuals' particular needs - in their own terms- is both an ideal and a strength of a morality of care (Lyons, 1983, 135). Brabeck (1983, 275) pictures the common theme when saying:

> "Men develop a rational moral attitude based on an understanding of alternative conceptions and a commitment to a universal abstraction. Women develop less of a concern for these abstractions, are more imbedded in particular concerns about individuals, more feeling than thinking, less committed, and, thus, morally labile"

Both perspectives can be arranged in terms of the relationship of conceptions of self and of morality to considerations made in real-life moral choice (Lyons, 1983, 136) (see also, Blum, 1988, 474-477):

morality of justice	morality of response of care
individuals - are defined as separate objective in relation to others; - see others as one would like to be seen by them, in objectivity; - tend to use a morality of *Justice* as *Fairness* that rests on an understanding of relationships as reciprocity between separate individuals, grounded in the duty and obligation of their roles; *moral problems* - are generally construed as issues, especially decisions, of conflicting claims between self and others (including society), - are resolved by invoking impartial rules, principles, or standards - considering: (1) one's role-related obligations, duty, or commitments; or (2) standards, rules, or principles for self, others, or society; including reciprocity, that is, fairness-how one should treat another considering how one would like to be treated if in their place; - and evaluated considering: (1) how decisions are thought about and justified; or (2) whether values, principles, or standards are (were) maintained, especially fairness	*individuals* - are defined as connected in relation to others - see others in their own situations and contexts; - tend to use a morality of *Care* that rests on an understanding of relationships as response to another in their terms; *moral problems* - are generally construed as issues of relationships or of response, that is, how to respond to others in their particular terms; - are resolved through the activity of care - considering: (1) maintaining relationships and response, that is, the connections of interdependent individuals to one another, or (2) promoting the welfare of others or preventing their harm; or relieving the burdens, hurt, or suffering (physical or psychological) of others; - and evaluated considering: (1) what happened, will happen, or how things worked out; or (2) whether relationships were/are maintained or restored

However, differences between responses on moral issues tests are not only due to the scoring system, but also caused by the way the very core of morality is conceptualized. In fact, Gilligan challenged the claim of universality of Kohlberg's theory, since it is limited to male morality. Women differ from men in the way they think and act morally, in a different voice, so to speak. Gilligan was struck by the fact that women tended to score no higher than Stage 3 in Kohlberg's research, while men in the same research tended to score onto Stage 4, leading to the obvious conclusion that men are more developed in moral respect than women are. This could be due to the fact higher stages are constructed in terms of 'male' qualities, including autonomy, justice and rights ("unfeelingly rationalism"), and not or at least less in terms of care, responsibility and compassion in social relations. Female morality is different because of its different moral categories. Then, the question is whether there are two different forms of morality: male morality explaining moral dilemmas in terms of justice and conflicting rights, and female morality

explained in terms of care and conflicting responsibilities (or loyalties). Based on Chodorow's psychoanalytic theory of differences in male and female socialization (Chodorow, 1989), Gilligan concluded masculine moral development indeed to be different from feminine moral development. According to Broughton (1983, 137), this possibly is based on an inadequate reading of Chodorow, who did not characterize women's psychological structure in terms of a simply tendency to connect, but in terms of a complex and fragile preservation of the tension between merger and individuation. Masculine moral development is justice-oriented and aiming at moral autonomy, while feminine moral development has its orientation on responsibility and care in social relations, with its own developmental pattern. Gilligan (1977) advocated a stage theory for the development of an ethic of care, roughly following Kohlberg's three level distinction: pre-conventional, conventional, and post-conventional. On the first level, moral reasoning aims at personal survival and self-care. On the second level, a person is aware of the relationship between self and others and takes responsibility with a self-effacing attitude of care for those that cannot take care for themselves or are in an unequal position (goodness as self-sacrifice, as the transition from selfishness to responsibility). Gilligan identifies this second level with Kohlberg's Stage 3, because of the limited moral horizon. She considers Stage 3 as normal female conventionality, and Stage 4 as male normal conventionality. On the third level, a person reaches a balance between self and others, self-care considered equally important as care for others based on a morality of harmony and non-violence (as a transition from goodness to truth). Thus care and responsibility become universal notions, while on this third level also issues concerning autonomy, justice and integrity, issues characteristic of Kohlberg's Stage 6, are enacted.

Gilligan's notions became issues in rather vehement debates in sociological, psychological, political, and most of all feminist circles. After an early dismissing of the idea of an alternative female pattern of moral development, Kohlberg took the arguments of Gilligan more seriously (for instance, Kohlberg & Power, 1981). He has given several reasoned responses to her critique, noting that empirical evidence for a specific female morality remained inadequate and unconvincing and suggested nonsignificant sex differences: males showed to be not as careless as was assumed, and women not as unjust. Put more bluntly, the data did not support any finding of statistically significant sex differences, whereas the theory rather addresses deficiencies in other developmental theories[80]. Causes of sex differences probably may be due to differences in level of education and occupation instead of moral psychological hardware (Blum, 1988; Brabeck, 1983; Broughton, 1983, 124-127; Dawson, 2002; Dawson et al, 2005; Flanagan & Jackson, 1987; Gibbs, Arnold & Burkhard, 1983; Greeno & Maccoby, 1986; Lapsley, 1995, 137-139; Luria, 1986; Vreeke, 1991a; 1991b; 1992; 1994; Walker, 1984; 1989; Walker, De Vries & Trevethan, 1987; Wark & Krebs, 1996; 1997, 169-170; see also Baumrind, 1986 and Walker, 1986, for a critical discussion, and Gilligan, 1986, 327, for a reply to critics, while admitting that it is 'voice' making the difference, not 'sex'). Differences in moral position taking can be explained by examining research methodology, more in particular type and content of the moral dilemmas presented to respondents. It could happen to be that there are moral issues that can better be approached with an ethic of care than with an ethic of justice, and vice versa. Furthermore, are the dilemmas about real or hypothetical dilemmas, and are they about formal matters or interpersonal problems? These questions point at the issue of "story pull", which suggests that individuals use different levels of reasoning depending on their familiarity and experience with a particular scenario

(Freeman & Giebink, 1979; Magowan & Lee,1970; Walker et al, 1987; Weber, 1990). The influence of "story pull" could account for significant variations responses to the moral dilemmas posed depending upon their ability to associate with the character in the dilemma or fully comprehend the conflict of the moral dilemmas posed, possibly due to the occurrence (or lack) of a similar personal experience or to differences in personal commitment with the themes in moral dilemmas (Carpendale & Krebs, 1995; Elm & Weber, 1984, 351, 353). These themes may also activate either care or justice responses, depending on their contents. Krebs and Denton (2005, 637) distinguish between four types of real-life moral issues (see also Wark & Krebs, 1997, 166):

1: Philosophical:	Abstract, philosophical dilemmas that do not directly involve the participant or his or her friends and/or relatives but that have been discussed or debated by the participant in his or her everyday life.
2: Antisocial dilemmas	A. Reacting to transgressions: dilemmas involving a decision about what to do about a transgression, injustice, crime, or violation of rules that has occurred. B. Reacting to temptation: dilemmas involving the temptation to meet personal needs, fulfill desires, acquire resources, or advance self-interest by behaving dishonestly, immorally, unfairly, or ungratefully.
3: Social pressure	Dilemmas involving pressure, either implicit or explicit, by another person or group to engage in identify inconsistent behaviors violating participants' values.
4: Prosocial dilemmas	A. Reacting to conflicting demands: dilemmas involving a decision about what to do when faced with the inconsistent demands of two or more people, often with implications for participants' relationships with these people. B. Reacting to the needs of others: dilemmas involving a decision about whether participants are responsible for engaging in some proactive behavior on another's behalf and what their duties or responsibilities are toward the person in question.

It can be expected that especially antisocial and social pressure dilemmas evoke Stage 4 justice responses, whereas especially prosocial dilemmas evoke Stage 3 care responses, without sex differences, as was found by Walker et al (1987, 856) and Wark and Krebs (1996; 1997, 164-165, 170, 171-172)[81].

Another explanation, put forward by Nunner-Winkler (1984), states that there are not so much two separate moralities with each an own style of moral reasoning. Instead, there is one morality with different formulations from different perspectives (both referring to a more comprehensive morality that is characteristic to the Greek-Christian tradition that also distinguishes between justice and charity, two central values that are situated on the dimensions generality – exceptionality and equality – particularity. Exactly these dimensions represent the essential tension in any morality that goes beyond the pre-conventional level). The difference is that an ethic of justice defines negative duties to avoid the bad and focuses on differences and conflicts, whereas an ethic of care defines positive duties to do the good and focuses on personal ties and solidarity. Thus, it could turn out that women through their life situation and their (traditional) tasks focus rather on personal relations and the element of care that is inherent to it, and accentuate positive duties, more than men would be inclined to do. More and better research should provide us with decisive answers concerning Gilligan's claims, subsequently leading to better conceptualizations, for instance in terms of Rest's aforementioned four component model, such that that Gillian speaks to components 1 (moral sensibility), and 3 (moral choice) (Brabeck,

1983).
Nevertheless, since apparently there are different moral voices based on questionable evidence, Kohlberg did not reject an ethic of care, but tried to integrate the two approaches, mainly by arguing that concerns of care, responsibility, and personal relationships fall within the domain of justice (Colby & Kohlberg, 1987a, 24). As was pointed out by Nunner-Winkler (1984), Kohlberg's dilemmas involve conflicts between perfect (or prohibitive) and imperfect (or prosocial) duties, while his scoring manual contains criterion judgments that are care-oriented in nature according to Gilligan's criteria.
From an overarching perspective, both care and justice can be derived from mutual respect for persons, and moral situations and dilemma's do not require a choice between the one orientation and the other, but rather call for a response that integrates both. Care and justice are not considered as two different tracks that are independent of each other or even in opposition to each other. Gender differences are mostly due to socialization (perhaps because many women did not function in secondary institutions of work and therefore lack adequate settings for perspective taking, at least, at that time), and play only a minor role in moral reasoning. In the end, Gilligan's critique broadened Kohlberg's conception of morality and the moral domain, as in demonstrated in his stage descriptions presented above.
As it happened, Gilligan retracted much of her initial theory, leaving open the possibility of two moral orientations, bearing only loose connections to gender: two moral injunctions - not to treat others unfairly and not to turn away from others in need - thus define two lines of moral development, providing different standards for assessing moral thoughts, feelings, and actions, and pointing to changes in the understanding of what fairness means and what constitutes care. By tracing moral development across these two intersecting but orthogonal dimensions of relationship, it is possible to differentiate transformations that pertain to equality (and justice) from transformations that pertain to attachment (and care). Observations of gender differences in moral thinking, feeling, and acting, reflect a tendency for problems of inequality and problems of detachment to be differently salient, or to be differentially organized, in male and female development. The gender difference question, when framed in this way carries the implication that one sex neither is morally superior, nor implies that moral judgment or moral behavior is biologically determined. Instead, it draws attention to two perspectives that give morality its dialectical character, both justice and care being fundamental to mature moral functioning. To the extent that biological sex, the psychology of gender, and the cultural norms and values that define masculine and feminine behavior affect experiences of inequality/equality and attachment/detachment, these factors will presumably influence moral development. Neither voice is gender-specific, but they do tend to be gender-related: males orient toward justice more frequently than females, while females orient toward care more frequently than males (Brown, Gilligan & Tappan, 1995, 315-316, 323, 326).
With regard to the justice - care debate, Lapsley (1996, 144-147) concludes that under and behind this debate another more general debate is hidden, the debate between the deontological based and biased Kohlbergian paradigm, and other forms of moral position taking, such as virtue ethics. Care and justice orientations may be forms of 'branching', converging again on the post-conventional level. Although Lapsley does not put Gilligan's ethic of care in the domain of virtue

ethics, it is recognized that an ethic of care has a strong aretaic impetus, when care and responsibility are denoted as virtues. Thus, the Stage 3 ethic of care may be the aretaic branch of Stage 3 morality that does not depart from deontological rules but from aretaic virtues. In the same vein, aretaic forms of moral position may be recognized with regard to Stage 3/4 and Stage 4 (care on the organizational and societal level, as can be found in images of respectively the caring organization and the caring society).

With respect to 'moral atmosphere' theory of Kohlberg and his associates, Gilligan and her associates unfortunately overlooked the care-aspect, when they describe the 'just community' approach as being guided exclusively by the concerns of a justice voice (Brown, Gilligan & Tappan, 1995, 325). Elements of care are indeed present in later Kohlbergian theory on moral atmosphere, as will be demonstrated in the next chapter. Apart from this, in many other contributions to moral climate theory, authors referred to Gilligan (n=42), in several instances leading to hypothesizing a "caring climate" (notably in the contributions of Victor and Cullen, and their many followers).

(4) The meaning of Stage 4

When Kohlberg identified a fourth stage or moral reasoning, he probably had a perspective in mind that was modeled after the situation in the United States of America, and the political, sociological, juridical, and cultural situation of that time. However, when considering Stage 4 from a global Twenty-first century point of view, there may be circumstances making the meaning of Stage 4 both more complicated.

Before exploring possible difficulties with the meaning of Stage 4, the preliminary remark must be made not to confuse content and structure of moral reasoning. This can be explained by looking at the descriptions of Stage 4 in terms of the questions "What is right?", "Why be right?" while considering the sociomoral perspective of moral reasoning.

Right is fulfilling the actual duties to which you have agreed. Laws are to be upheld except in extreme cases where they conflict with other fixed social duties. Right is also contributing to society, the group, or institution. We should be right to keep the institution going as a whole, to avoid the breakdown in the system "if everybody did it", or the imperative of conscience to meet one's defined obligations. The sociomoral perspective is the societal point of view, differentiated from interpersonal agreement or motive, and takes the point of the system that defines roles and rules whereas individual relations are considered in terms of place in the system.

These formulations are about structures and not so much about contents. Reference to laws is structure, what the law says is contents.

Yet, there some issues to address when considering Stage 4 moral reasoning because of:

- differences in national cultures that may have impact upon legal systems, their contents and their functioning;
- different forms of legality within legal discourse that may affect the regulation of organizations;
- different political ideologies covering a wide spectrum of forms of liberalism and forms of communitarianism;
- different models of capitalism based on different assumptions concerning the relationships

among citizens and between citizens and state (as in the Anglo-Saxon, the Rhineland, and the Nordic model);

- processes of globalization and social, cultural, juridical, and political convergence leading to super-capitalism.

Each of these issues will addressed briefly, not in order to solve them, but to consider their impact upon Stage 4 moral reasoning and on moral climate. It is especially important in cross-cultural comparison to be aware of the fact that Stage 4 does not mean the same worldwide - for an example, compare the United States of America to China - and use this awareness when constructing and applying questionnaires and making inferences. These issues also are important in establishing the exact meaning of corporate social responsibility within the framework of national legal and moral frameworks.

- *national cultures*

Perhaps it is not a coincidence that two often-mentioned substantial publications on national cultures are both Dutch (Hofstede, 1984; Hampden-Turner & Trompenaars, 1993). The Netherlands, as a small nation among larger ones, always have taken an intermediate position in trading or waging wars (Britain, Germany, Spain, and France), and therefore showed an interest in understanding these other nations, their people, and their culture.

Hofstede (1984, 5) discusses (national) culture as the collective programming of the mind, which distinguishes the members of one group or category of people from another. In his surveys, he describes value differences that relate to "power distance" (large versus small), "uncertainty avoidance" (strong versus weak), "individualism – collectivism", "masculinity – femininity", and "long-term - short-term orientation". National cultures with a high level of uncertainty avoidance may show the tendency to regulate nearly anything. National cultures focusing on individuality may formulate basic rights and restrain from expressing and regulating their care for citizens.

According to Hampden-Turner and Trompenaars (1993), countries differ in the relationship between state and society, more in particular regarding the relative proportion of governmental regulation and self-regulation. From this perspective, they distinguished seven cultures of capitalism by comparing the USA, the Netherlands, France, Germany, Japan, UK, and Sweden while focusing on seven fundamental valuing processes. The methodology of these authors is sociological and divides social attitudes and behaviors into a set of seven dilemmas with national cultures holding differing positions between each pair of opposites and challenging thematic questions with regard to these dilemmas (please note that The Netherlands and Great Britain are omitted from the comparison, for not scoring dominantly on the items):

(1) Universalism (USA, Sweden, Germany) versus Particularism (France, Japan)

Universalism is about finding broad and general rules. When no rules fit, it finds the best rule. Particularism is about finding exceptions. When no rules fit, it judges the case on its own merits, rather than trying to force-fit an existing rule.

Theme: how can the application of rules of wide generality be reconciled with special exceptions?

(2) Analysis (USA, Sweden) versus Integration (France, Japan, Germany)

Analyzing decomposes, finding detail, understanding parts as the way to success. Integrating brings things together to build the big picture in order to understand in a holistic way.

Theme: how can analysis of phenomena into parts be reconciled with integrating details into

whole patterns?

(3) Individualism (USA, Sweden) versus Communitarianism (France, Japan, Germany)

This set of opposites compares the relative merits of concern for oneself as individuals emphasizing individual rights (group focus considered as denuding individuals of their inalienable rights) to those of concern for the community of which one is a part (considering individualism as short-sighted selfishness).

Theme: is it more important to focus upon the enhancement of individuals, their rights, motivations, rewards, capacities, attitudes, or should more attention be paid to the advancement of the smaller or larger group (family, organization, nation)?

(4) Inner Direction (USA, France, Germany) versus Outer Direction (Sweden, Japan)

Inner-direction is about thinking and personal judgment, assuming that thinking is the most powerful tool, and that considered ideas and intuitive approaches are the best way. Outer-direction is seeking data in the outer world, while assuming that we should look for our information outside, in the real world.

Theme: which are the more important guides to action, our inner-directed judgments, decisions, and commitments, or the signals, demands, and trends in the outside world to which we must adjust?

(5) Status by Achievement (USA, Sweden, Germany) versus Status by Ascription (France, Japan)

This item examines what you have performed versus what is expected of you, given your credentials based on status gained through others means (age, position, education).

Theme: should status of individuals depend on what they have achieved and how they have performed (achievement) or on some other characteristic, such as age, seniority, gender, education, potential, family connections (ascription)?

(6) Equality (USA, Sweden, Germany) versus Hierarchy (France, Japan)

Equality is about all people having equal status, assuming that we all have equal rights. Hierarchy is about people being superior to others, assumed that order happens when few are in charges and others obey through the scalar chain of command. This item explores whether everyone's opinions are considered and evaluated before reaching conclusions or whether there is an assumption that the boss knows everything.

Theme: is it more important that we treat colleagues as equals so as to elicit from them the best they have to give, or to emphasize the judgment and authority of the hierarchy that is coaching and evaluating them?

(7) Time as Sequence (Sweden, USA) versus Synchronized View of Time (Japan, France)

Time as sequence sees events as separate items in time, sequence one after another while finding order in a serried array of actions that happen one after the other. Time as synchronization sees events in parallel, synchronized together while finding order in coordination of multiple efforts The choice here is whether it is best to do everything as fast as possible or to try as hard as possible to see that everything is coordinated with everything else.

Theme: is it more important to do things fast, in the shortest possible sequence of passing time, or to synchronized efforts so that completion is coordinated?

In a more recent comparison, the authoritarian capitalism of China and the capitalism of India and Brazil as emergent economic powers should gain critical consideration. However, apart from being limited in scope, there are more grounds for objections to boil down capitalism to seven valuing processes. Categories seem to be chosen arbitrarily and inadequately elaborated, research methodology sloppy (jumping to oversimplified and stereotyping conclusions based on research in multinationals and argument-by-anecdote through casual empiricism, questions send to 15,000 managers, and interviews), and criteria to evaluate combinations of elements and programs of

intervention lacking. Nevertheless, two fundamental questions remain on great interest, the first of which is why some types of capitalism do succeed and others fail, and the second of which is why economics has failed to provide the answers. Apparently, values matter. Furthermore, from the perspective of moral climate theory, the idea of differences in Stage 4 due to cultural differences is worth exploring. Although only few contributors refer to national cultures as the independent variable in moral climate research (for instance, Bourne & Snead, 1999; Cohen, 1995; Hoffman, 1998; Parboteeah, Cullen, Victor & Sakano (2005), the issue is of interest for both getting a proper account of Stage 4 as such and when comparing Stage 4 moral climates in different countries. In any case, questionnaires should reckon with the complicated or even scattered nature of Stage 4. In order to arrive at a more profound idea of Stage 4, we will first explore differences concerning forms of legality, political ideologies, and socioeconomic systems as constituents and referents in Stage 4 moral reasoning. As will be demonstrated hereafter, some possible formulations of Stage 4 may appear to dissolve the distinction between Stage 4 and 5.

- *forms of legality*

An important discussion concerns the relation between law and morality. It is too easy to consider law as solidified moral. Both law and morality are organizing and regulating in nature, necessary to make living together possible. Both law and morality formulate prescriptions and injunctions as answers to the question of "how living together?" For a number of basic reasons, regulation is necessary (Manenschijn, 1984, 83-84):

- people are vulnerable (one of the reasons why there are rules to prevent acts of violence)
- people are (about) equal (one of the reasons why there are rules concerning mutual rights and duties)
- people have a limited moral horizon and limited sympathies (one of the reasons why there are rules enforcing people handing over means in behalf of others, as in tax codes)
- goods are scarce (one of the reasons why there are rules to protect property and why labor that has been supplied is regulated in a system of agreements to which one can appeal in trust
- people have limited insights, capacities, and willpower (one of the reasons why there are rules forcing people to do something or abstain from it.

Both moral and juridical rules guide one's social behavior. However, there are important differences. Rules of law are general and bind all members of a society. This applies to moral standards in a lesser degree. Rules of law are necessary, because people do not always adhere to moral rules freely, or because they disagree from a moral point of view. Rules of law are formulated exactly and unambiguous, consistent, and enduring (that is, not be swayed by the issues of the day). Rules of law are ratified by the government. While moral rules need to be recognized and endorsed by those involved to be legitimate, rules of law need not be endorsed. One should comply with them, even if commitment is absent. An important difference is that a rule of law obliges living up to it and can be exacted under penalty of juridical sanctioning (*in foro externo*), whereas moral norms only have the power of reason. Violating moral norms is not liable to punishment, yet blameworthy. Sanctioning of moral norms takes place *in foro interno*, that is, through approval, blame, or through one's own conscience (Van der Burg, 1994, 19, 22; Jacobs, 1988, 13-14; Kelsen, 1973, 86; Kimman, 1991, 158); Manenschijn, 1984, 74).

Another important difference between law and morals concerns their scope. Rules of law limit what is allowed in another way than moral rules do. Morals offers more than rules, while emphasizing good intentions and moral virtues, pointing at values as guiding principles (including justice, respect for autonomy, well-doing), formulating goals, and making moral deliberations while balancing positive and negative effects of actions (as was discussed in previous sections of this chapter). Morality can have a variety of functions in its relation to law. It has a founding, interpreting, and critical function, as well as a complementary function (for instance, concerning those issues that have not been legalized).

At this point, differences between national cultures can be identified. For instance, an important difference between American and Dutch corporate codes of ethics concerns issues of labor conditions. Dutch labor legislation and collective labor agreement regulate considerably more than American labor legislation does. Issues that have the power of law in the Netherlands need to be gained dearly through ponderous moral discussion in the USA. In the USA, these issues may be regulated through a corporate code of ethics, whereas special attention for these issues is not necessary in the Netherlands.

Law and morals are like Siamese twins with strained relations, that can be formulated as the tension between law as it is and law as it should be. Rules of law and moral rules can both coincide and collide. For instance, that law permits something does not need to make it morally acceptable. In fact, four types can be identified when confronting law and morality: legal and legitimate, legal and yet illegitimate, illegal and illegitimate, and illegal and yet legitimate. This typification is based upon a formal and a substantive conception of the constitutional state (Manenschijn, 194, 90-91).

The term "formal constitutional state" means that a state is committed to general rules and laws that describe and limit the competencies of the government, for instance concerning the way laws are made and justice is administered, concerning rights and duties of citizens, and concerning how elections are held. Key word for a formal constitutional state is *legality*. The term "substantive constitutional state" means that the rules and regulations of the "formal constitutional state" need to be committed to moral principles of fairness, justice, and equality. The key word is *legitimacy*: the state is not only committed to laws and regulations (legality), those laws and regulations need to be based upon moral principles that have been internalized into the sense of justice of citizens. Of course, the problematic areas are the "legal and yet illegitimate" and "illegal and yet illegitimate".

Through these formulations, the distinction between a Stage 4 morality and a Stage 5 morality seems to become faint. From the perspective of business ethics (that ultimately is about organizations functioning in society), the issue can be clarified by distinguishing forms of legality. Before discussing these forms, some additional terms need to be introduced in characterizing the tremendous changes in relationship between law and morals during the second half of the Twentieth century. There is both an increase and a decrease of regularization and processes of bringing something sub judice. This means both an increase of the *density* of rules as an increase of the *depth* of rules. Density of rules means that more and more areas of both public and private are regulated that were not regulated before. Depth of rules means an increase of the level of specification and specialization of rules permeating an area of regulation. Overall, this implies a

dominance of the juridical domain over other domains, such as the economic and the political domain. Apart from the intensity of regulation, there is shift in function. Rules have become an instrument of policy. The initial serving and protecting function of regulation is complemented with a new, directing function. Put briefly, there is a shift from codification to modification. This means a shift from establishing grown moral convictions in laws with a stabilizing aim and effect, to instrumentally directing law to realize political aims of the state in order to bring about changes in society that are in line with the spirit of the time (for instance, regulations concerning corporate social responsibility) (Groot, 1993, 96-101; Groot, Van de Luytgaarden & Vrij, 1993, ix-xi; Nabben & Van de Luytgaarden, 1996, 5-7; Vorstenbosch & Ippel, 1994, 52-53)

The shift from codification to modification can be explained in more detail in terms of the type of legality that is strived for. What is more, it attracts attention that legality is increasingly influenced by considerations concerning legitimacy. Put in Kohlbergian terms, Stage 4 shows increasingly more features of Stage 5 (principled) moral reasoning.

Hoekema and Van Manen (1994) distinguish five forms of legality that appeared in historical succession but also coexist since their emergence: formal legality, compensatory legality, risk collectivization legality, forum legality, and cooperative legality. Each form of legality departs from its own assumptions concerning man, society, and governmental tasks.

1. *Formal legality* is typical to the legal order of the end of the Nineteenth century and the beginning of the Twentieth century. This legal order is aimed at individuals and consists of law of obligations within which individuals must realize their rights, despite social inequalities affecting the division of contractual rights and obligations. The leading idea of formal legality is that thanks to their contractual freedom individuals in the end would be better off than when rules of law would contain substantive regulations. The idea is that freedom would maximize wealth. Every restriction of freedom would mean theft of this potential or actual wealth, as was the case in civil liability. Concerning industrial accidents and injuries the effects could be very poignant, since employers usually were not to blame because their guilt could not be proved.
2. *Compensatory legality* emerged as a reaction to formal legality. Around 1900, the insight developed that is (also) the task of the legislating government to diminish or even neutralize the effects of power differences impacting the legal order, giving way to an instrumental and substantive extension of law. An instrumental use of law means that law is seen and exercised as an instrument to influence societal relations and processes in such a way that – while preserving the space for individual freedom as much as possible – substantively unequal starting positions of categories of people are corrected in order to better coordinate the different parts and sectors of society. Point of departure of compensatory legality is the body of social values concerning the public domain aiming at compensating the inequality of starting positions by means of primary rules of law and coordinating interventions of the authorities. Here, primary rules of law are understood as those rules of laws that are enforced by the legislator, judge, or public administration parties have to comply with when starting, settling, renewing, or terminating juridical relations, regardless of what they (would) have agreed upon. Important legislation from the perspective of compensatory legality is, for instance, the Dutch law concerning employment contract (1907) (Hoekema & Van Manen, 1994, 60-61). .
3. *Risk collectivization legality* is the form of legality that is inherent to the welfare state after the Second World War in which government has the role of "insurer of societal risks" by means of a diversity of mechanisms of redistribution (taxes, special levies, a premium system, and compulsory social security). This legal order focuses on secondary rules of law aimed at preventing and solving

problems and spreading of risk based on considerations of socio-political desirability, justice, and suitability. Its aim is diminishing or removing inequalities I social finishing positions categories of people. Point of departure of risk collectivization legality is the body of social values concerning the public domain that - assisted by secondary rules of law - does treat not inequality in social finishing positions as individual fate, but as social fate, while defining the size of social fate and pointing out certain collectivities (the elderly, the sick, the disabled, the prospectless unemployed) as high risk groups (Hoekema & Van Manen, 1994, 89, 101). .

4. *Forum legality* means that decisions with public authority and decisions in private institutions are tested in a societal dialogue for acceptance. The function of the law is to guarantee a procedure of a dialogue between administration, judge, political rulers, and society that is open and free from the exercise of power. At this point, procedural ethics enters upon law: what we consider correct by right and on which grounds we have to accept or reject a rule of law, is determined in a procedure that is open and free from power and not because of the authority of the rulers. Forum legality is a product of the anti-authoritarian protests from the Sixties and Seventies of the Twentieth century. It breathes the democratic atmosphere of participation and the solving of juridical disputes through "the unconstrained constrain of the best argument", as is elaborated by Habermas. Point of departure is political-ethical relativism of rights. According to this outlook, there is no objective legal order and existing law always legitimizes political and economic power. Forum legality does not so much concern the substantive contents of juridical and moral decisions but their coming about. Important is the normative power of the law: against which criteria legal solutions need to be tested? The answer is that this should be determined in a forum of discussion partners by means of just of procedures and rules for a reasonable discussion. A forum is any open platform in society or in its institutions where everybody has an equal, serious, and fair chance to put forward her of his opinion concerning balancing the interests at issue and be heard, without being disturbed by power or formalities. Put briefly, forum legality emphasizes the procedural principles of the legal order. Proceduralization of judicial and administrative decisions implies a way of decision-making in which the contents are not determined in advance for stemming from an authoritative and sacrosanct source of law, but in which the emphasis is laid on the way decisions are made. An essential element of forum legality is the deliberation of an open number of interested parties that aim to arrive at consensus with regard to the issue at stake. This "language game" demands a lot from its participants: good and willful listening, empathic understanding of the positions and interests of other participants, put own interests and opinions into perspective, honesty, as well as a certain degree of benevolence. Forum man is morally high-minded and reasonably thinking and acting striving for a high-minded public moral. The public morality of forum legality aims at promoting equality in social chances to participate in establishing societal relations and in determining of what counts as just laws and regulations (Hoekema & Van Manen, 1994, 118, 122-123, 126 127, 131-133). In forum legality, we can easily recognize principled moral reasoning that is characteristic of Stage 5 in Kohlberg's theory.
5. *Cooperative legality* is the body of societal values concerning the public domain bringing about that public interests are arranged in cooperation between public bodies considered equal or between public bodies and private organizations considered equal as well. Cooperative legality matches the tendency of deregulation and the propagation of the self-regulating competence of societal partners. Three forms can be distinguished: cooperation between public bodies, cooperation between one or more public bodies and one or more private organizations, and conditioned self-regulation of private organizations, for instance in covenants. Concerning this third form, governmental involvement is confined to setting limiting legal conditions within which private parties need to establish their

agreements in order to avoid substantive governmental intervention through laws and regulations. This can be termed "meta-direction", governmental direction aimed at activating and coordinating self-regulation.
An important feature of cooperative legality is the assumed support for the execution of agreements made. After all, they are entered into out of free will in an atmosphere of partnership. In a number of important respects, cooperative legality differs from form legality. In cooperative legality, the partners are not unorganized citizens as in forum legality, but leaders of private and public organizations and institutions. Cooperative legality concerns the cooperation (of government and) organizations and not cooperation between government and citizens. In cooperative legality, partnership is closed, whereas in forum legality everyone can enter freely. The aim of forum legality is arriving at mutual understanding and consensus, whereas cooperative legality aims at arriving at workable compromises. For that reason, cooperative legality is characterized by negotiation.
Cooperative legality is expressed through covenants, instruments of policy that are legally binding written agreements between administers of one or more public bodies and one or more private parties. Three types of covenants can be distinguished: policy covenants (between government and organizations), administrative covenants (between public bodies), and codes of conduct (between organizations as means of committed self-regulation to prevent governmental intervention)
Covenants are both regulating and deregulating. When covenants are understood as a decrease of legal prescriptions, settling covenants matches the ambition of deregulation. However, when deregulation is understood as the ambition to decrease the number of regulations and governmental intervention, settling covenants does not imply deregulation, since regulations included in a covenant are just as restrictive as these regulations would have been as part of a statutory regulation (Klok, 1989, 24).
Corporate legality can be criticized for its lack of attention for the emancipation and participation of citizens, for the unequal starting position of the participants, and for the lack of transparency and publicity of decision-making (Hoekema & Van Manen, 1994, 161, 166-170).

The shift in forms of legality is prompted by both fundamental and pragmatic conceptions of legitimacy, and by considerations concerning the limits of regulation and bringing processes sub judice. The issue is not only the amount of rules and the decrease of unregulated domains, but concerns also the accessibility, complexity, degree of detail, obscure terminology, workability, and effectiveness of regulation. Anyhow, when discussing Stage 4 morality, it is important to examine, what exactly is understood as "law and order", and which form of legality is referred to. Especially, in questionnaires tapping Stage 4 morality and Stage 4 moral climate, it is important to adapt the questionnaire items to the particular situation of the company and the relevant forms of legality, for instance, from the complex perspective of corporate social responsibility. More in particular, it is important to notice where Stage 4 morality develops into Stage 5 morality due to dominant principled concepts of legitimacy as a feature of the structure of moral reasoning.

- *political ideologies*

As we have seen, different conceptions of legality give a special "flavor" to Stage 4 moral reasoning. A step further is examining the economic and political ideologies paralleling these forms of legality.
Wagner (1995) hails communitarianism as a new paradigm of socioeconomic analysis as an

alternative to the disciplinary matrix of neoclassical economic theory. He criticizes neoclassical economic theory for its unrealistic assumptions. In the first place, methodological individualism ignores the fact that people are part of larger social entities ("households" and communities"), whereas in the second place utilitarian modes of economic and moral reasoning place an emphasis on rational choice that is too strong. According to Wagner (1995, 594), the heart of the economic approach is an abstract model of rational choice constituting the disciplinary matrix of neoclassical economics. Highly idealized actors (consumers and producers) operate in a highly idealized setting (perfectly efficient markets) exchanging highly idealized objects (pure private goods). Individual consumers maximize utility, and individual producers maximize profit or net income. With the help of prices and other market instruments, markets coordinate the actions of different participants so that their behavior becomes mutually consistent. Furthermore, preferences are assumed to be stable. In addition, participators are protected by governmental regulations to cut transaction costs. The emphasis is on making choices instead of on the entities making decisions. While referring to Coase (1988, 3), Wagner (1995, 595) concludes that the rational utility maximizer of economic theory bears no resemblance to real human beings nor does utility bear any resemblance to any human feelings. The consumer is not a human being but a consistent set of preferences, whereas the producer is effectively defined as a cost curve and a demand curve. The neoclassical model refers to a society in which all goods and services are individually owned and, therefore, privately consumed and produced. Given these assumptions, it is difficult to explain why rational human beings should opt for group or community building, or put in Kohlbergian terms, abandon Stage 2 moral reasoning. As a response, Wagner challenges methodological individualism and utilitarianism as the basic tenets of neoclassical economics by pointing at collective decision-making. As he puts it (1995, 598), the principle of methodological individualism prescribes a mode of economic analysis that is rooted in individual behavior. Methodological individualism asserts that explanations of social, political, or economic phenomena can only be regarded as adequate if they are stated in terms of the beliefs, attitudes, and decisions of individuals. Economic theory, therefore, should abstain from any propositions about wholes that are more than the sum of propositions about their constituent parts. Consequently, all macroeconomic propositions that cannot be reduced to microeconomic ones ought to be banned from economic analysis. Apparently, there must be something wrong with a methodological principle with such devastating implications. Inspired by Etzioni (1988, 185, 186), Wagner (1995, 598) emphasizes the need of a more holistic paradigm of understanding social, political, and economic phenomena. In contrast to methodological individualism, methodological holism states that individual decision-making is deeply affected and can be explained to a significant extent by collective processes and structures individuals are embedded in and that shape their identity. Social collectives - such as local communities, ethnic groups, bureaucratic organizations, and social movements - are major decision-making units in the real world, often providing the context within which individual decisions are made.

In the same vein, Wagner (1995, 599-600) tries to deal with utilitarian assumptions, explained mostly in hedonistic terms as "pleasure" (we would say, considered as Stage 2, or even Stage 1 moral reasoning, in Kohlbergian terms). Wagner evaluates these assumptions as bearing little resemblance to real human behavior that is thought to be motivated by a much richer set of

values and preferences, making utility an empty concept explaining everything and predicting nothing, used for mathematical convenience only and the expense of proper correspondence with the real world. Therefore, Wagner suggests a more encompassing paradigm of socioeconomic analysis that would include communitarianism as a new disciplinary matrix. According to Wagner, the disciplinary matrix of neoclassical economics is based upon the concept of the market mechanism, which undeniably functions as a symbolic generalization or preferred analogy. In some instances, it has been adapted to include a second symbolic generalization usually referred to as "government" or "state." However, the effort to extend the matrix never went as far as to include a third symbolic generalization that is of increasing importance in modern societies: the symbolic generalization of the "common." Commons are not places any more than are markets or states. Market, State, and Common are symbols of different societal settings, each of which is characterized by a specific integrative system to hold together the constituting components. Integrative systems consist of such elements as status, identity, legitimacy, loyalty, and the different kinds of transactions that take place between individuals and groups. Under a market-type integrative system, exchange constitutes the overarching model of social transaction and dominates a society's integrative system. Under a state-type system, unilateral transfers as form of social transaction become an essential part of a society's integrative system. Under a common-type or communitarian system, sharing appears as a third archetypical form of transaction. Not only the types of transfer differ, according to Wagner (1995, 601), there also different dominant decision-making parties in the field. In the case of a market-type setting, the parties are called consumers or households on the one hand, and producers or firms on the other. Government and its citizens play the key part in a state-type setting. As may be expected, territorial and functional communities as well as social movements enhance the interplay of these actors once a common-type or communitarian setting has been established.

Apart from cognitive elements including laws, hypotheses, analogies and metaphors, a disciplinary matrix contains normative beliefs and values upheld by those who practice a given discipline. The disciplinary matrix of socioeconomic analysis should therefore be examined not only with respect to its cognitive elements but also with respect to its normative components. Clearly, socioeconomic analysis not only is engaged in understanding how a society functions or what a society is (ontological dimension of society) but also is committed to delineating what a society should be (deontological dimension of society) (Wagner, 1995, 601). From this perspective, communitarianism is considered as an integrative system based upon giving and sharing. According to Wagner, (1995, 602), the distinctive element of sharing appears to lie in the type of "commodity" shared rather than in the motivation of benevolence out of which sharing takes place. With respect to the motivation involved, sharing has a lot in common with giving and can be conceptualized as "reciprocal giving" in which the shared commodities are collective goods, not to be confused with "public goods". According to Wagner (1995, 602), collective goods are characterized by rival and non-sovereign consumption, in contrast to public goods which are also non-sovereign but at the same time are non-rival in consumption. The property of rivalry in consumption typical for collective goods implies that one individual's utilization of a collective good decreases the benefits derived from consumption still available to the remaining

users. The property of non-sovereign consumption implies that one person's consumption or use of a given commodity is impacted by the consumption of participating users. Collective goods, therefore, are goods that necessarily require sharing.

Wagner proposes a shift from the self-interested "homo economicus" maximizing personal gain from neoclassical economy to the "person in community" of communitarianism based on a social or communal view of human nature. Persons are intrinsically related to one another and relationships among persons are not merely an external property but a constitutive part of human nature. Wagner's (1995, 603) idea is that societal well-being or the well-being of a community as a whole is more than the sum of individuals' well-being or the aggregation of goods and services acquired by individuals through exchange. Moreover, the well-being of a community as a whole - and not just the goods and services acquired by the individual through exchange - is constitutive of each person's welfare.

Wagner (1995, 603) offers a brief explanation of the use of his terminology. As he puts it,

> "Emphasizing the social character of human existence would seem to make "Person-in-Society" as least as good a metaphor of understanding human nature as does "Person-in-Community." There is, however, a significant denotative difference (...) between the social and the communal character of human existence. The denotative difference reflects the difference between participation in the state, which characterizes the person-in-society (or citizen), and participation in the common, which is typical for the person-in-community. Both forms of participation rest upon a sense of mutuality and shared destiny and not on pure self-interest, as participation in the market does. However, participation in the state is coercive, whereas members of a community choose to belong to the community. Communities are groups not only committed to exchanging marketable goods (market-type setting) or forced by government to maintain unilateral transactions - such as paying taxes - in a state-type."

Communitarianism as a new paradigm of socioeconomic thought does not only rest upon the Common as its new preferred analogy and the idea of sharing as its archetypical social transaction. It also includes a unique set of beliefs, norms, and values as constitutive elements of its disciplinary matrix. The beliefs, norms, and values on which communitarianism builds are embodied in the concept of citizenship, which defines the relative position or status of individuals as members of society (Wagner, 1995, 603). In contrast, neoclassical economic theory implicitly assumes that the relative position of individuals in society is defined by the free access to markets, therefore emphasizing the civil component of citizenship, which is composed of the civil rights guaranteeing individual freedom: the right to conclude valid contracts and the right to own property. Civil citizenship, however, ought to be enhanced by political citizenship, which conveys to the citizen the right to vote, to take part in elections, and to participate in the exercise of political power. Community as an intermediary body between the individual and the state points at a third level of citizenship based upon social rights. Social rights convey to people a status in which their living standard becomes independent of pure market forces and the political authority invested in government. The original source of social rights, therefore, has to be seen in the membership of local communities and functional associations.

In addition to the important distinction between civil, political, and social rights, communitarianism also offers a new understanding of political values and a more encompassing theory of social justice. According to Wagner (1995, 604), in the context of the neoclassical

paradigm, freedom constitutes the dominant value and justice is mainly seen as fair play in the market, assuming the form of commutative justice ("iustitia commutative"). Once one-way transactions are assumed to take place, distributive criteria have to be developed in order to determine each citizen's fair share in giving and taking. This leads to distributive justice ("iustitia distributive") as a second form of social justice, and equality as a basic norm of a functioning state. Only when communities come into play is there space for a third type of social justice: contributive justice ("iustitia contributivu"), which emphasizes participatory structures in society.

Wagner is not the only author considering the merits of communitarianism as new paradigm. In her contributions to moral climate theory (discussed on the CD-ROM), Cohen (1995) also emphasizes communitarianism in a view that is, just like the view of Wager, based on the ideas of Etzioni (1988). She suggests applying central principles of communitarian government in designing organizational policies and procedures. This communitarian approach to social system governance is grounded in the notion of evolving individual-community interdependence. Referring to Etzioni (1988, 9, 60), Cohen describes this approach in terms of "a responsible individual acting in the context of a responsive community, where individuals and community and both completely essential and have the same fundamental standing". This communitarian position seeks to establish a common good that is shared by and that transcends each individual and promotes commitment to social institutions without sacrificing respect for diversity, uniqueness, or individual freedom:

> "Rather than assuming that the highest moral good is associated with protecting personal liberties, communitarianism emphasizes the moral value of perceiving the self in the social context and assumes that liberty requires a viable community. In fact, advocates of communitarian governance maintain that society, rather than constraining self-actualization, provides the meaningful reference point for all human activity, such that individuals bonded through comprehensive, stable relationships and cohesive groups and communities are much more capable to make sensible choice, to render judgment, and be free. Nurturing attachments and honoring commitments thus preserve the continuity of human society over time" (Cohen, 1995, 322).

Cohen (1995, 337) recognizes that in business, resistance to a communitarian perspective will potentially be greater than in other settings. Nevertheless, she considers the prognosis for substituting American industry's traditional individualistic orientation encouraging. For instance, she continues, a central force moving business in a more communitarian direction is the rapid trend toward economic globalization. Isolationism and the pioneering mentality from way back are no longer appropriate for a nation that has moved well beyond the frontier into an urbanized social environment and a global economy demanding a less parochial attitude and a stronger emphasis on collective concerns. Moreover, as Cohen claims, communitarian values and principles may be increasingly attractive to business as a growing number of cases testify to the transaction inefficiency and competitive disadvantage of exclusively self-serving business practices. New laws also discourage a strictly opportunistic business ideology and actually provide a template for developing more communitarian policies and practices in the firm.
As it seems, the comparison of neoclassical economic thought and communitarianism comes down to contrasting Stage 2 and Stage 4 morality. However, the situation is more complicated

when we take a closer look at different positions within communitarianism and liberalism (as the political companion or equivalent to neoclassical economic thought) and associate these positions with forms of legality, in order to arrive at a better understanding of the diversity within Stage 4 moral reasoning.

To clarify this issue, a brief reference is made to the liberalism-communitarianism debate, as summarized by De Jong (1998, 141) as part of his book on values education and freedom of education. This debate mainly took place in Anglo-Saxon literature since the early Eighties and concerned meta-ethical and political-philosophical issues, including:

- How do we have to conceive morality?
- How can we justify moral judgments, dependent or independent of philosophy of life?
- Are model judgments universally valid, or are they relative?
- How do we have to conceive the (moral) person?
- How do we have to conceive the relation between person and community?
- Need government be neutral?

This debate, or rather, these debates can and need not be reconstructed here. From the perspective of moral climate theory, it is sufficient to explore the possible meanings of Stage 4 in order to avoid misconceptions or false generalizations.

In his reconstruction of the debate(s), De Jong (1998, 142) discusses two central and characteristic differences between liberal and communitarian perspectives:

1. Liberals cherish the idea of the neutrality of the state, whereas the idea of perfection of the state is the point of departure for communitarians. According to liberals, the state is not permitted to enforce a conception of the good life onto its citizens, whereas according to communitarians it is the central task of the state to do so.
2. Liberals emphasize the protection of rights and privileges in front of the state, whereas communitarians emphasize common interests and responsibilities.

Liberals plea for a neutral, non-perfectionist state in which political decisions are independent of specific conceptions of the good life since these are disputed in a pluralistic society and government should avoid giving opinions about the (un)desirability of these conceptions. On their turn, communitarians think that liberal neutrality is a fiction, and plea for a "politics of the common good" while advocating a perfectionist state propagating a conception of the good life that founds political decisions. According to communitarians, every society and every state (even a liberal state) supposes a conception of the good life. In this way, liberal states also foster a particular conception of the good life and counteract other conceptions. Moreover, considering social cohesion in a society it is even desirable that a state prescribes a common and substantive conception of the good life to its citizens. In liberal individualism only the individual counts, and individual rights outweigh claims from community, while communitarians criticize this point of view for contributing to the disintegration of society and the uprooting of individuals. Moreover, as they argue, individuals cannot live without communities, since communities are constitutive for the identity of the individual.

Within both liberalism and communitarianism, two central positions can be distinguished. Within the liberal perspective, the two main positions are labeled autonomy-liberalism and diversity-

liberalism, while within the communitarian perspective the two positions are labeled society-communitarianism and community-communitarianism (De Jong, 1998, 144).

- *Autonomy-liberalism* claims that everybody has a right to autonomy. Every individual must be free and be enabled to form, alter, and exercise a conception of the good life in a critical and well-informed manner. The role of the state is protecting this right to autonomy.
- Point of departure of *diversity-liberalism* is that the state has to respect and to protect the diversity of communities and cultures in society. Protecting the right of autonomy may be at odds with the preservation of plurality, based on the idea that autonomy too is a disputed and substantive conception of life that should not be promoted by the state unilaterally. Promoting autonomy is an unjust restriction of diversity.

These forms of liberalism can be called "liberal" since both they defend the idea of a neutral state and prioritize rights and privileges in opposite of the state. An important difference is that autonomy-liberals think that neutrality of the state goes along with the promotion of autonomy, whereas diversity-liberals think that a liberal state promoting autonomy is not neutral at all because such a state dictates and forbids too much. Instead of giving absolute priority to the protection of the individual right to autonomy – as autonomy-liberals do – diversity-liberals give priority to the protection of the autonomy of communities to warrant diversity in society.
Within the communitarian perspective, De Jong (1998, 145) distinguishes society-communitarianism and community-communitarianism.

- *Society-communitarianism* departs from the idea that a commonly shared substantive moral is necessary to keep society together. The state should take care that a common and substantive conception of the good life is transferred to all citizens. Therefore, the state must be perfectionist.
- *Community-communitarianism* argues that in a multiform society there can be no common substantive conception of the good life on societal level. Only within small communities, homogeneity and communality can be realized. Moreover, these communities are essential to the development of the individual. Therefore, according to community-communitarians, every community deserves to be respected and continued.

According to De Jong (1998, 145), the liberalism-communitarianism debate is mainly a discussion between autonomy-liberals on the one hand, and both forms of communitarianism on the other hand. Essential to this debate is the emphasis that is laid upon the individual right to chose an own conception of the good life and express oneself freely, even if this conflicts with values and binds of the community or the society one is part of. In this vein, Sandel (1996, 346) contrasts an ethic of fair procedures and individual rights and an ethic of social solidarity and mutual obligation.

De Jong's proposal to concentrate on autonomy-liberalism and both forms of communitarianism is accepted here, insofar as I focus on the impact of this debate on business ethics in general and moral climate theory in particular. Not all aspects of the liberalism-communitarianism are relevant from the perspective of moral climate theory. I call into mind, that this elaboration is about exploring the referent of Stage 4 moral reasoning to indicate its diversity, not only concerning its contents, but also of its structure. In doing so, we do not need to explore the

diversity of conceptions of the good, conceptions of the person, and individual right versus groups rights. However, some words can be devoted to the issue of the political neutrality of the state as a defining characteristic of the liberal outlook and the issue of autonomy.
Political neutrality means that the state should not favor, promote, or act on any particular conception of the good, but should simply provide a neutral and just framework within citizens can pursue the good as they understand it. Liberal state should be non-perfectionist, that is, that implementation and promotion of ideals of the good life are not a legitimate matter for governmental action. Government should not judge upon ideals, values and doctrines people use to orientate their life upon. Government should take care of a neutral framework within individuals can make their own choices (De Jong, 1998, 184-185). According to De Jong (1998, 185), the idea of political neutrality consists of two connected claims: liberalism is independent of specific conception of the good, and liberalism should not prescribe a specific conception of the good. In other words, liberals defend both procedural and substantive neutrality. This does not mean that liberalism is value-neutral. Liberalism defends minimal principles of justice and autonomy. Hence, it will not tolerate every possible conception of the good life. Political neutrality is supported by three arguments: (1) non-neutral governmental decisions harm the autonomy of citizens, (2) perfectionist policy may lead to suppression and instability in society, and (3) no one can know for sure which ways of living really are good. On their turn, communitarians put forward that political neutrality is both impossible (liberalism itself is perfectionist outlook) and undesirable (liberalism embodies and promotes a wrong kind of perfectionism and a poor conception of the good, autonomy, which, on their turn, liberals consider a meta-ideal) (De Jong, 1998, 189-191). Instead, communitarians defend a "politics of the common good" as a substantive conception of the good life, defining the community's way of life in terms of shared goals (for instance, sustainability) (as do society-communitarians). In a broader conception, diversity is respected, provided that those who do not share common goals respect fundamental rights (as do community-communitarians, approaching the position of diversity-liberals) (De Jong, 1998, 191-201).

According to De Jong, (1998, 206-207), the assumption of communitarians that the ideal of autonomy is a substantive conception does not hold. Consequently, the assumption that every government is perfectionist does not hold either. Liberals can use a non-substantive notion of reflective autonomy, understood as the freedom to reflect critically upon one's own conception of the good. In this construction, liberals defend a second-order ideal of autonomy that does not specify in advance which conceptions of the good are worth pursuing and which are not (as substantive, first-order ideals). This second order meta-ideal cannot prevent that people pursue first-order ideals based on non-valuable conceptions of the good, due to limited possibilities and limited talents for choosing. However, options chosen may not violate basic social morality ("hyper norms") and hence must be moral options. This renders autonomy not only a personal autonomy, but also a moral autonomy. Although an ideal of reflective autonomy may restrict options, it is not a substantive conception of autonomy based on a previous, public determination of certain conceptions of the good. By implication, there is no sound reason to abandon the ideal of political autonomy, especially when the conditions are set that public

morality in a liberal society must apart from second-order values (including reflective autonomy, tolerance, and respect for opinions) also cherish the values of the social basic moral (including respect for life and justice). Since both the second order moral and the social basic moral are indifferent to philosophy of life, it can be upheld that a liberal government is both procedurally and substantively neutral.

According to De Jong (1998, 207-208), public moral in liberal society needs to be restricted to second-order moral and the social basic moral (or hypernorms). It can be necessary or desirable to complete public moral with a society-wide shared conception of the good, for instance concerning the preservation of internal social cohesion in society or concerning sustainable production and consumption (as a result of public discussion). Especially in multiform society with disintegrating tendencies, a substantive public moral is desirable. The promotion of such first-order conceptions through public moral has a perfectionist policy as its consequences. This so-called weak perfectionism does not imply the end of the neutrality of the liberal state, as no substantive conception of the good specific to a philosophy of life is presupposed or propagated. Moreover, the promotion of a society-wide conception of the good in a liberal society should always be guarded by the second-order values. This underlines once again that the weak perfectionism in a liberal society differs from the strong perfectionism that is favored by communitarians.
What do these considerations concerning Stage 4 imply for business ethics and moral climate theory? Essentially, these considerations may help us to arrive at a more detailed idea of Stage 4 morality and reveal of the tensions that are inherent to it, due to different political ideologies and different conceptions of legality. These tensions may appear to challenge Kohlberg's of stages as structural wholes, insofar as some Stage 4 thinking resembles Stage 5 thinking (as in forum legality in which strong notions of legitimacy and prince-led thinking are involved). However, we should call in mind that on the logical level we still have to do with different structures of moral reasoning that only in and through actual dynamical practice might merge. More important is looking at the possible contents of Stage 4 moral reasoning by matching political ideologies and forms of legality:

political ideology	***form of legality***
autonomy-liberalism	formal legality / forum legality
diversity-liberalism	formal legality /cooperative legality
society-communitarianism	compensatory legality / risk collectivization legality
community-communitarianism	cooperative legality

Characteristic to autonomy-liberalism is the conception of the person as an individual whose economic rights are protected through formal legality and whose political rights are enhanced through forum legality. Society-communitarianism guards social rights and social justice through both compensatory legality (its weaker form) and risk collectivization legality (its stronger or more comprehensive form). Important for our purpose is the match of community-communitarianism and cooperative legality. This match implies that within and between

communities regulations may be formulated that have legal power and that replace governmental regulations. In economic life, there are numerous "gentlemen's' agreements" within and between institutions, such a branches of industry, production-distribution chains, professional associations, or local communities (for instance, while located in the same industrial zone). For a proper account of Stage 4 morality, these institutional cooperative legal arrangements need to be taken into account, while recognizing that within a society apart from governmental regulations, regulations exist which apply within a certain community but not outside of it. These institutional self-regulations replace governmental regulations, but may not violate societal minimal moral principles and norms and can be evaluated against these principles and norms. If they fail to meet to criteria or are lived-up, governmental regulations may be still be effectuated.
In sum, there is a diversion of the contents of Stage 4 while considering different political ideologies and different forms of legality. Having said this, we can return now to national differences when looking at the specific composition of liberal and communitarian elements in national cultures from a political, economic, and social perspective.

- *models and forms of capitalism*

A special way to give more content to Stage 4 moral reasoning is taking models and forms of capitalism as the point of departure. In the literature (Albert, 1991/1993; Andersen, Holmström, Honkapohja, Korkman, Söderström & Vartiainen, 2007), three socioeconomic models are distinguished: the Anglo-Saxon model, the Rhineland model, and the Nordic model. More in particular, the Anglo-Saxon models and the Rhineland model are contrasted. From the Anglo-Saxon perspective, the Rhineland model and the Nordic model are much alike because of the strong role of the state, but there also, perhaps more subtle, difference. Hall and Soskice (2001) followed up the idea of two different kinds of capitalism with a large, empirical, international study. They also came to a typology of (a) liberal (Anglo-Saxon) and (b) coordinated market economies, (German), each with different institutions and governance systems, but did not recognize a separate Nordic model.
Each model has its own approach to markets and to the role of government, as well as basic assumptions about the relationship between citizens and government and government and organizations. Let us take a brief look at these models and consider their impact on Stage 4 moral reasoning.

a. The Anglo-Saxon model

In its ideal formulation (Albert, 1991/1993), the Anglo-Saxon model – current in the UK, New Zeeland, Canada, USA, Ireland, Australia, and Spain (as a non-English speaking example) – is based on the liberal idea of free enterprise and competition that permeates society in its economic, political, legal, and social functioning, more in particular with regard to state intervention and relations between employers and employees (as appeared in Reaganomics and Thatcherism). The idea of working towards a collective good is alien to free competition based on individual gains. The level of governmental regulations is low, as are taxes. When compared the other socioeconomic models, government provides relatively fewer services. Politically speaking, the Anglo-Saxon model discourages the formation of coalitions and encourages majority governments. The non-proportional system creates a political climate where the winner takes everything, and the loser(s) take(s) nothing.
The Anglo-Saxon model reflects both the spirit of Protestantism and social Darwinism, the former

meaning a spirit of hard working and thrift, the latter meaning that survival of the fittest (companies) and natural selection (of companies) will lead to economic and social progress lead by an invisible hand. *Governmental intervention* in the economy should be severely restricted. The idea is that the market is capable of assigning resources in a most efficient manner, whereas it is assumed that the government can do nothing but create inefficiency and stifle competition. Governments are not fit to formulate the economic priorities, while individual citizens are more apt at formulating their own preferences. As Albert wrote (already in 1991, 61), this model has its ironic elements when applied to the USA. The largest banks in the USA describe themselves as "too big to fail" while counting on a helping hand of the government if the worst comes to the worst. Government would step in to prevent the crash of major financial institutions in order to prevent a lethal chain reaction leading to a major economic crisis. In sum, twenty years of ultra-liberalism have led to a situation in which the survival of the financial system may only be assured with the help of federal government handouts. What this really means, could be noticed while watching the developing financial and economic crises that became apparent in 2008 and 2009. At the moment of writing, this crisis could herald the end of the Anglo-Saxon model.

The *labor markets* should be based on competition as well, while avoiding everything that increases the costs of labor (including taxes and externalities). For instance, minimum wages would have the same effects as social costs on labor and should be avoided. To combat structural and short-term changes on the labor markets, the Anglo-Saxon model prescribes increased flexibility through re-training, re-location, and increasing the informational exchange between work-seekers and employers. Since unemployment benefits and welfare payments are considered to be counterproductive and discouraging competition, they should be geared towards finding work for the recipient.
Regulation on business is the largest obstacle for an evolutionary behavior of the economic system, because they are inherently anti-competitive while discouraging free entrance on markets and being expensive. In the Anglo-Saxon model, not all regulation is considered bad, but its economic consequences always need consideration. Therefore, regulations geared towards market solutions are always preferred over other types of regulations. In this vein, privatization of industries and services are to be pursued. Despite these essential characteristics, with the Anglo-Saxon mode differences exist. For instance, the UK has a significantly higher level of taxation that the US. Moreover, the UK spends far more than the US on the welfare state as a percentage of GDP, spending more than Spain, Portugal, or the Netherlands, all of which are in mainland Europe. This spending figure is however still considerably lower than that of France or Germany. Apart from these differences, Canada and the USA also differ in a number of respects, Canada showing features of communitarianism.

b. The Rhineland Model

According to Albert (1991/1993), the essential characteristic of the Rhineland model – current in Austria, Belgium, France, the Netherlands, Italy, Greece, Germany and Luxembourg (and, to certain degree, in Japan) – is balancing free market-forces and social and environmental responsibility. The idea is that social justice cannot be attained through market forces only, but must be guaranteed by society. This means that in this kind of social market economy, cooperation rather than competition is the keyword and that economic security gets priority above economic flexibility. The Rhineland model consists of four elements: market economy, state intervention, a social security system, and consultation between employers and employees. According to Albert, these features make the Rhineland model the more equitable, efficient, and less violent one, and a viable alternative to the Anglo-Saxon model.
Market economy is the preferred economic system because of its ability to assign resources efficiently and creating wealth based on close relationships between banks and companies and a well-adjusted balance of power between shareholders and managers. It also offers a general social justice that is based on hard work and thriftiness. However, since the free market cannot be trusted to provide perfect social justice or assign resources optimally for everyone, the market mainly is a regulated market based on values regarding

equality and solidarity shared by most citizens. In line with these values, companies are not considered not so much as negotiable goods (as in the Anglo-Saxon model) but as communities with employees of higher loyalty.
State intervention aims at preventing massive social injustices in the wake of an economic shock, but can also aim at preserving productive companies, factories, and sectors in times of trouble. Since state finances are affected by the performance and the direction of the economy, the state also has responsibilities regarding the economy, for instance, by encouraging long-term investments and technological improvements. In doing so, the state can foster the long term performance of the economy, as contrasted to shareholder companies seeking short-term profits at the possible expense of long term performance. Furthermore, infrastructure investments, city planning, subsidies and taxes are measures used to achieve optimal economic performance in the long run. Finally, labor market interventions are necessary to create just and healthy working conditions for workers, and aim at decreasing costly unemployment figures, while encouraging high productive enterprises and discouraging low ones.
The *social security system* is the expression of the social responsibility the state has
in protecting its citizens from the negative impact of capitalism by providing unemployment benefits and welfare payments to the poor. This responsibility of all for all is based on the mandatory payment of social insurance. Furthermore, active government policies designed to increase matching processes between unemployed and employers are to be construed, as are programs for reeducation and relocation.
Consultation between employers and employees and other stakeholders (including government, unions, and customers) is another element of the Rhineland model (termed the "polder model" in the Netherlands). The idea is that by encouraging influence from every party involved, one can achieve a better situation for everyone in terms of social partnership. By working together, instead of against each other, costly boycotts, strikes and lockouts can be avoided and compromises agreed upon.

c. The Nordic Model

At first glance, the Nordic model - current in Scandinavia (Denmark, Iceland, Norway, Sweden, and Finland) - resembles the Rhineland model, since they both are concerned with general welfare and economic security and use cooperation between various institutions and actors to pursue these goals. However, a closer look reveals characteristic differences concerning political and social goals and the role of the state in realizing those goals. According to Andersen, Holmström, Honkapohja, Korkman, Söderström & Vartiainen (2007, 12-13), some of the some of the principal features of the Nordic Model are:

- a comprehensive welfare state with an emphasis on transfers to households and publicly provided social services financed by taxes, which are high notably for wage income and consumption;
- a lot of public and/or private spending on investment in human capital, including child care and education as well as research and development (R&D);
- a set of labor market institutions that include strong labor unions and employer associations, significant elements of wage coordination, relatively generous unemployment benefits, and a prominent role for active labor market policies.

The incentives and the balance between entitlements and obligations must support a high rate of labor force participation. In sum, shared attributes of the Nordic countries include a large welfare state, a particular set of labor market institutions and a high rate of investment in human capital
Full employment is an essential top priority of the Nordic model. Through labor market policies, the government should promote employment and combat unemployment. A broad labor market will decrease the need for intervention by social authorities as well as promote equality and encourage equal opportunities. A broad labor market will also provide a broad tax base and decrease governmental expenditures.
A strong state with an extensive public sector is needed in order to promote full employment as well as provide a reasonable degree of welfare to all citizens. The effect of the public sector on employment is two-fold.

First, it creates a huge amount of job opportunities, especially for women and other marginalized groups that otherwise have a problem finding jobs in the private sector. Second, it also corresponds to labor supply by promoting the ability for both everybody to seek and attain employment. Childcare, education, healthcare, and care for the elderly have always to a certain extent been the taken care of at home. By relieving households from these concerns through establishing institutional childcare, schools, hospitals and nursing homes, a large portion of the labor supply becomes available.
Extensive social insurance aims at equality and solidarity among citizens. Public spending in social transfers such as unemployment benefits and early-retired programs is high. The idea is that everyone should contribute via taxes, and eventually should get "something back" when needed. This means that you pay income tax even if your earnings are low, and you are eligible for certain grants and free services provided by the public sector, irregardless of the level of income. This way of employing and financing universal social insurances and services is thought to promote solidarity and a willingness to support the economic and social system, irrespective of socio-economic status. Overall, in the Nordic countries the tax burden is among the highest in the world.
Free labor markets through strong and responsible institutional labor actors - the trinity of unions, employer organizations, and the state - encourage the goal of full employment as well as foster solidarity and equality between workers and employers. In order for the system to work, these actors need to be responsible enough to pursue national interests rather than individual interests and strong enough to be able to reach their goals. With the state as moderator, a cooperative spirit and understanding between employers and workers will lead to peaceful and stabile labor markets. It will also promote long-term thinking and investments rather than short-term individual profit maximization.
Easy doing business is another feature of the Nordic model, characterized by

- Strong property rights, contract enforcement, and overall ease of doing business.
- Low barriers to free trade
- Little product market regulation (Nordic countries rank very high in product market freedom according to OECD rankings).
- Little financial market regulation (Denmark and Finland have the lowest regulation burden in EU-15 according to OECD rankings).
- Nordic countries are pioneers in market-based thinking.

In sum, *sharing the wealth by doing business* is the essential ideal of the Nordic model. Whereas the Rhineland model is primarily concerned with providing a social safety net, the Nordic model promotes economic equality by means of a large public sector, strong labor unions, and full employment, facilitated by an ease of doing business.

When considering moral climate across nations, it should be made clear by now, that the type of society Stage 4 is referring to complicates measuring Stage 4 moral climates. When constructing moral climate questionnaires, or interpreting research results, the subtle differences between socioeconomic models should be paid attention to (see, for instance, Lemmergaard & Lauridsen, 2008).
However, there is another interesting feature concerning socioeconomic models that opposes their differentiation, the rise of supercapitalism as the hallmark of converging tendencies.

- *converging tendencies*

A final issue to be addressed here concerns the opposite movement when compared to the previous subsections. Instead of looking at national differences, converging tendencies are considered here, on four levels, the global, macro, meso, and micro level.

- *global*

In the first place, there is a tendency of globalization in juridical, political, economic, and social respect. In many countries, western modes of thinking and acting, producing and consuming have conquered the world. Internationalization of law (because of the political unification of Europe, or otherwise), democratic tendencies in many countries, the gradual dominance of supercapitalism as a disfiguring of the Anglo-Saxon model (Reich, 2007; Judt, 2007), as well as the supremacy of the Western way of life, make the world a global village in which world citizens resemble each other more and more.

One element I will focus upon here briefly, is the alleged hegemony of supercapitalism. Reich's observation is that capitalism has become more receptive to wishes as individual consumers of goods (for instance, more product variety), but that democracy has become less receptive to our common wishes as citizens. From the perspective of utility, all social values and beliefs seem to collapse into narrow self-interest.

In his book *Supercapitalism: the Transformation of Business, Democracy, and Everyday Life*, Reich explores the link between the hegemony of capitalism and the weakening of democracy. American foreign policy is still to some extent based on the now eroding notion that if we can spread capitalism we will also automatically spread democracy. The idea is that in recent years the power has been moved from our quality as citizen to our quality as consumer and investor. Essentially, what has changed is that new technology has made the economic environment dramatically more competitive. Reich's story starts with his account of the "not quite golden age" (the three decades following World War II) in which limited competition enabled large companies to earn high profits. American economic life was stable and in comfortable equilibrium through 'managed capitalism' based on the collaboration of the unions and the government, at the expense of innovative economy. A limited number of giant firms (such as General Motors) dominated their predictable and secure markets. High profits, in turn, enabled unions to bargain for high wages and benefits. Skilled workers had steady and (relatively) safe jobs. For all the lip service paid to competition and free markets, the American economy (in this respect comparable to the economies of Western Europe) depended heavily upon protection from foreign competition, as well as standardization, regulation, subsidies, price supports, and government guarantees. The natural inequities of capitalism were softened by the assurance of present well-being and future prosperity and a widespread sentiment, however illusory, of common interest.

Things changed when new communications and transportation technologies initially supported by or spun off from cold-war research projects - such as computers, fiber optics, satellites, and the Internet - enabled the economy's most able producers to extend their reach, while many established firms who could not manage were swept away. At about the same time, financial deregulation increased the influence of capital markets on corporate behavior. Consumers and investors have profited from these developments. For instance, Wal-Mart may offer its employees low wages and benefits and squeeze its suppliers to do likewise, but it also offers extremely low prices. Investment managers may pressure corporations to lay workers off, but they also generate robust returns for their clients.

However, according to Reich, as citizens we have fared less well. Competition has driven salaries of the best performers in every sector to unparalleled heights, while the incomes of all others

have stagnated, jobs were destroyed, firms bankrupted, and communities impoverished. Through many examples, Reich suggests that it is the modern international corporation, its overpaid executives, and its "value-obsessed" shareholders who seem to dismiss civic values. The narrow focus on growth, profit, and the short term obscures and displaces the broader collective goals and the common good.

Of course, the question is why government did not intervene appropriately. Reich points at greater competition as the culprit. Once some companies discovered they could gain an edge by influencing government decisions in their favor, rivals had little choice but to join the fray. Once some candidates began altering their votes to attract contributions, others faced strong pressure to follow suit. In much detail, Reich describes the explosive growth of corporate lobbying expenditures and campaign contributions since the 1970s, phenomena fostering political cynicism among citizens. For instance, the replacement of universal rights and need-based provisions with systems of work-enabling incentives and rewards marks the transition from welfare to workfare, even in countries worshipping the Rhineland model (Netherlands) and the Nordic model (Norway), thus reintroducing fear an active ingredient of political life in Western democracies and therefore playing the game of right wing populist parties. In sum, it may be true that globalization and supercapitalism reduce differences between countries; they typically amplify inequality within them, with disruptive political implications (Judt, 2007).

When considering solutions, Reich has little faith in corporate social responsibility or corporate citizenship, as this is only a pale substitute for effective laws against corporate misconduct[82]. As such, Reich does not seem to favor cooperative legality because it promises too much and guarantees too little. Instead, he aims at large-scale social movements initiated by citizens to restore democracy, through legislation (that is, tax changes, trade pacts to contain minimum wage clauses, legislative regulation of lobbying). However, it can be doubted that these measures resolve the real issue that our interests as "investors" and "consumers" have triumphed over our capacity to act as "citizens": as citizens we are sincerely concerned about global warming, however, as consumers and investors we are actively turning up the heat. In this vein, Reich has a rather thin conception of citizenship and a superficial diagnosis of the "modern mind".

Fortunately, many authors already have tried to analyze this modern mind, in as many terms as there are authors: one dimensional man (Marcuse, 1964), the fall of public man and the corrosion of character (Sennett, 1977, 1988; 2006), amusement to death (Postman, 1985), the closing of the mind (Bloom, 1987), liquid modernity (Bauman, 2001), and the infantilized ethos of kidult consumers (Barber, 2007), to name only a few of the numerous characterizations of modern society.

- *macro level*

Converging tendencies on the global level cannot but affect the macro level of national states, perhaps at the expense of cultural differences. It may be true that the differences between forms of capitalism discussed in the previous subsection are nowadays not as large as they were when Hampden-Turner and Trompenaars were conceiving their book, due the mechanisms Reich has described in his Supercapitalism. As was described above, the paradox emerges of decreasing differences between countries and increasing differences within countries.

- *meso level*

At the meso level of organizations and institutions, other converging tendencies may occur. One the one hand, for-profit corporations taking upon themselves social responsibilities may experiences moral conflicts between Stage 3/4 (the corporate moral horizon) and Stage 4 (the societal moral horizon). On the other hand, governmental organizations (such as the police, the land registry, or the certificate driving proficiency authorities) and non-profit organizations (such as health care organizations and schools) may consider themselves as company pursuing own interests, thus introducing a Stage 3/4 morality in organizations that are supposed to exhibit and practice Stage 4 morality. In both cases, this kind of hybridization may lead to tensions between Stage 3/4 and Stage 4 morality, though each coming from a different angle, perhaps at the expense of either losing legitimacy or effectiveness.

- *micro level*

Finally, on the micro level, a special convergence can be perceived, in line with the growing significance of supercapitalism. In a tendency of increasing democracy, one might expect that grown-up individuals adopt a Stage 4 stance of moral reasoning and even may adopt an international or perhaps a global point of view. However, as the laborious process of the European unification shows, this expectation is not met. In many European countries, there is persistent and even growing resistance to the influences from Brussels and Strasbourg. Also contrary to this expectation, according to Reich (2007), one finds a contradictory splitting in many individuals. On the one hand, people think and speak as critical citizens (Stage 4 moral *competence*). On the other hand, people act and behave as spoiled consumers focusing on the question "What's in it for me or for us?" (Stage 2 or 3 moral *performance*). It is this inconsistency within individuals, this lack of personal integration and expressed citizenship, that is, the phenomenon moral climate theory has to reckon with, and that maybe the companion piece of fragmented policy on the international level. Perhaps, commitment with the organizational (Stage 3/4) perspective may decrease, precisely because of this inconsistency, when people are thrown back on their own premises.

In summary, Stage 4 offers a far more scattered image than appeared in Kohlberg's initial conceptualization. We have considered a number of perspectives leading to a diversification of Stage 4 moral reasoning (demonstrated in the representation of differences in national cultures, forms of legality, the liberalism-communitarianism debate, and models and forms of capitalism) as well as a converging tendency due to globalization, the growing hegemony of supercapitalism and processes of hybridization of organizations.

In the next subsections, we will consider the vicissitudes of Stage 6 morality and the possibility of a seventh stage.

(5) Nature and function of Stage 6

Stage 6 as the finishing point of moral development is a problematic matter for several reasons. As Puka (1991, 386, 3880389) worries, can flaws in Stage 6 and its justice theme damn

Kohlberg's whole scheme? Would eliminating Stage 6 and its justice theme alter the stage sequence? T
o start with, empirical evidence for Stage 6 is scarce, that is, this world knows very few people with a Stage 6 moral competence, let alone Stage 6 moral performance. When it comes down to giving Stage 6 examples, people like Socrates, Jesus Christ, Buddha, Mahatma Gandhi, Martin Luther King, Mother Theresa, Dag Hammarskjöld, or Nelson Mandela appear on this list. Closer examination of these examples should that not even they are irreproachable, and perhaps they need not be. However, it may lead easily lead to the conclusion that probably no organization in the whole wide world will be characterized by a universalistic climate, that is, a moral climate type with Stage 6 moral reasoning being dominant as its core feature. Does this unveil Stage 6 as an illusion, a pious hope, or wishful thinking? To be sure, poor empirical evidence does not exclude the logical possibility of Stage 6 as a hypothetical ideal end-state of a theory of the reconstruction of moral development (at least of a hard stage model; a possible Stage 7 has been classified as a soft stage, to be discussed hereafter).
At this point, a more fundamental objection to Stage 6 is the mere fact of contractarian oriented post-conventional moral reasoning itself for being the mode of thinking typical to Western modern ethical theory as the favored ideology of particular socioeconomic systems and social historical conditions (Locke, 1979, 173-174; Puka, 1990, 189). This issue will not be discussed here, apart from a few remarks made. Even if it is true that post-conventional moral reasoning and universalization as its ultimate form turn out to be no more than a local matter (which I don't think so, because of the alleged confusion of content and structure by the adversaries of Kohlbergian theory, even when Kohlberg (1971, 60) admits that cannot ultimately separate form and content in moral analysis), it does not make the whole Kohlbergian enterprise worthless for moral climate theory. One might say that this theory may only be suitable to organizations in the Western world, but probably this assertion is far too modest from the perspective of the claim of universality of Kohlbergian paradigm itself. Anyhow, we can consider Kohlbergian theory as a promising attempt to reconstruct the logic of moral development.

Stage 6 is claimed to be the best stage for being the end-state of moral development and the only stage to provide real criteria for the evaluation of moral development[83]. Other stages then, are imperfect in moral respect, that is, in their conceptualization of 'moral'. Yet, exactly this evaluative claim is troublesome, for it presupposes the possibility of a rational comparison of different conceptualizations of morality and its criteria of judgment. If rational comparison and judgment is not possible, this may imply that it cannot be claimed that stages are really developmental stages and hence, opens the door to relativism (Puka, 1991). At most, they may appear to be accidental narratives people construct to justify their decisions and their behavior. However, as we have seen above, this issue can be resolved in satisfying manner. The issue remains however, *how* Stage 6 can serve as a criterion. Two types of answers can be given in this respect: a principled (axiological) answer and a procedural answer.
1. The difficulties of Stage 6 brought Kohlberg and his followers to drop Stage 6 from the scoring manual (Colby & Kohlberg, 1987) and to interpret Stage 6 at worst as an illusion and most safely as an advanced sub-stage of Stage 5, an abstraction taking the form of a normative-

ethical premise people try to live up to (Locke, 1980; Morelli, 1978; Puka, 1986/1990; 1991, 386-387). Nevertheless, Kohlberg et al returned to Stage 6, to maintain it in an attenuated form, claiming however, that Stage 6 provides indeed a normative criterion of adequacy: respect for persons, to be expressed in justice and benevolence, both being necessary, but with a logical priority of benevolence to justice to solve the inherent tension between benevolence and justice. Whereas benevolence is motivated by the desire to promote good and limit harm, justice is orientated toward the adjudication of competing claims in the interest of fairness. Empathy (benevolence) and justice are both ways of respecting persons, but they require different operations in order to achieve their ends. Whereas benevolence is orientated toward empathic connections with others, justice requires the momentary separation of individual wills, so that claims can impartially and equally considered through the operations of ideal role-taking. Benevolence constrains justice through its focus on promoting the general good, while justice constrains benevolence by insisting that benevolent solutions respect individual rights. Benevolence and justice are mutually supportive attitudes that are coordinated by the deep structure of the moral point of view. As Kohlberg, Boyd, and Levine (1990, 158) put it:

> "The aim of the autonomous Stage 6 moral agent is to seek resolution of moral problems in such a way that promoting good for some does not fail to seek promotion of the best for all".

In this formulation, justice (in the sense of fair procedures and agreement seeking dialogue, see below) is not the first principle of morality but is rather an attitude that coexists alongside the allied attitude of benevolence; both are examples of respect for persons, which assumes the dignity of being the single principle of principled morality (Lapsley, 1996, 76). In this restatement of Stage 6, the influence of Gilligan (see above) and associates is clearly present.

2. Stage 6 can also be approached and saved from the perspective of procedural ethics. As Habermas (1983, 127) puts forward, Stage 6 is in fact the only moral stage, since no earlier than in Stage 6 universalization moral claims are justified in front of anyone involved now and ever, here and anywhere else. Habermas advocates the use of procedural ethics which is based upon ideal reciprocal role-taking, mutuality, sense of duty, features that become emergent throughout the stages. It is precisely the presence or absence of these features that allows one to of higher and lower stages. Development to post-conventional stages while using procedural ethics does not always imply ease, since a moral gap may occur between the post-conventional on the one side and the conventional and the pre-conventional on the other side.

After all, the evaluative function of Stage 6 must not be ignored, because Kohlberg and associates assume an isomorphic relation between individual moral development and organizational moral climate or atmosphere development.. In short, the evaluative claim that is inherent to Kohlberg's individual developmental theory of morality can also be put forward with regard to moral climates. The arguments that are used to indicate that N+1 stage is better than N (albeit morally better, or pragmatically better), can be used to indicate that one moral climate type is developmentally better than another type of moral climate. That is, when it comes to justification of moral climates, the position and function of Stage 6 needs to be taken into consideration. However, how about the nature and function of a seventh stage?

(6) The possibility and function of a seventh, spiritual stage

Kohlberg and his associates (Kohlberg & Power, 1981; Kohlberg, Levine & Hewer, 1983, 41-42; Kohlberg & Ryncarz, 1990) have tried to conceptualize a soft hypothetical seventh stage in the development of ethical and religious orientations by investigating the relation between the domains of moral judgment and religious thinking. These domains are distinct, yet have parallel structures. According to Kohlberg and Power (1981, 211, 212, 213), there are parallels between our moral intuitions and our sense of moral order on the one hand, and our metaphysical or religious intuitions of a natural order on the other hand. Their idea is that religious intuitions support moral principle of justice by providing answers to the question "Why be moral at all?" that cannot be answered from a moral perspective alone because this question touches the meaningfulness of human action and of our existence as rational beings in our confrontation with suffering, injustice, loss, and death. Religious orientations are lager in scope than the justice orientation in the hard stages do address. A metaphoric Stage 7 response to ethical, metaphysical, and religious problems is based on constructing a sense of identity or unity with being, with life, or with God[84]. The central claim of Kohlberg and Power (1981, 226) is that religion is a conscious response to, and an expression of the quest for an ultimate meaning for moral judging and acting. As such, the main function of religion is not to supply moral prescriptions but to support moral judgment and action and purposeful human activities. The point Kohlberg and Power (1981, 226-228, 233) make is that moral development is necessary but not sufficient for religious development. This point rests on two assumptions, the first of which is the autonomy of the moral domain. The second assumption is that the development of metaphysical reasoning presupposes the development of moral and practical reasoning. Religious structures are in large part meta-ethical or metaphysical structures that presuppose the normative or moral structures they interpret and justify. Yet, they are not sufficient, because meta-ethical answers to the questions "What is morality?" and "Why be moral?" do not follow from moral principles themselves, but require additional social-scientific, metaphysical, or religious assumptions (in particular, concerning an ideal moral self, an ideal deity, or an ideal society).

Referring to the empirical work of Fowler (1981) on religious development (stages of *faith*), Kohlberg and associates described this seventh stage of ethical and religious orientation as appearing after the attainment of post-conventional justice reasoning. Kohlberg did not believe that the same level of empirical or philosophical precision could be reached on the issue of Stage 7 as can be achieved on the stages of justice reasoning. Nevertheless, he believed that theorizing about a Stage 7 still falls within the domain of science, at least if science is broadly defined and conceived (Kohlberg & Ryncarz, 1990, 191). Moreover, from the perspective of moral climate theory, the issue of a metaphorical Stage 7 may cast some light upon spiritual elements of moral climate that may be introduced or upheld by influential organizational members such as founders, CEO's, or staff concerned with organizational image, mission, legitimization and morale or spirit. Because of its reference to *spirituality* in its broadest meanings, I will denote this stage (and the moral climate it embodies) as spiritual stage and as a possible spiritual moral climate type, or at least a dimension possibly present in other moral climate types while causing inconsistencies. Even after attainment of Stage 6's clear awareness of universal principles, fundamental ethical

questions remain, including "Why be moral?" and "Why be just in a universe filled with injustice, suffering, and death?" These questions ask whether there is any support in reality or nature for acting according to universal moral principles. Stage 5 answer typically represent a compromise answer, the answer that I pursue my own happiness socially or with due regard to the rights and welfare of others. Although Stage 6 and its ethical principles offer a more complete solution to the problem of the relativity of values than is offered in Stage 5, it offers an even less complete solution for the problem "Why be moral?", since the answer to this question entails the further question "Why live?" and "How face death?". Hence, ultimate moral maturity requires a mature solution to the question of the meaning of life. This is rather an ontological or religious question than a moral one. As Kohlberg puts it, not only is the question hardly a moral question per se, it is not a question resolvable on purely logical or rational grounds, as moral questions are (Kohlberg & Ryncarz, 1990, 192). Though Kohlberg has posited a purely metaphorical notion of a Stage 7 as pointing to some meaningful solutions to these questions that are compatible with rational science or rational ethics, it requires one to move beyond the domain of justice and derive replies from the meaning found in meta-ethical, metaphysical, and religious epistemologies.

The core characteristic of all Stage 7 solutions is that they involve experience of a non-egoistic or non-dualistic variety. Kohlberg and Power (1981, 236, 239) refer to the Greek word *agape* (meaning "love" or "charity") that has been used throughout the New Testament of the Bible. *Agape* has two essential characteristics: (1) it is nonexclusive and can be extended to all (including one's enemies), and (2) it is gracious and is extended without regard for merit. Kohlberg and Power (1981, 239) note that *agape* was not meant to be an alternative or competitive moral principle to justice, or as another and previously unacknowledged version of a sixth moral stage. Instead, they consider *agape* as an ethic presupposing justice principles and maintaining their integrity. *Agape* goes beyond these principles in the sense of defining or informing acts of supererogation (acts beyond duty or beyond justice), acts that cannot be generally demanded or required of all people, acts that freely give up claims the actor may in justice demand. The attitude of *agape* presupposes an understanding and acceptance of the logic of duty and justice for its own definition. According to Kohlberg and Power (1981, 239, 240), *agape* is neither a principle of justice competing with the principle of fairness as reversibility, since an attitude of responsible love and acts of grace still require the sixth-stage principle of fairness as reversibility to resolve justice dilemmas. On their turn, Stage 6 principles of reversible fairness are the only principles on which an ethic of *agape* could rest.

Meaningful answers to the questions raised above are often articulated within theistic, pantheistic, or agnostic cosmic perspectives, as research confirms. Unlike the analytic and dualistic development of justice reasoning (reasoning based on the differentiation of self and other, subject and object), ethical and religious soft stage development culminates in a synthetic, non-dualistic sense of participation in and identity with a cosmic order, as opposed to a universal humanistic (Stage 6) perspective. The self is understood as a component of this order, and its meaning is understood as being contingent upon participation in this order. Movement toward a spiritual or cosmic perspective often begins with an experience of despair, a state that can arise

when we first begin to see our life as finite from some infinite perspective. Questions about the meaningfulness of our life are questions about the meaningfulness of the finite from the perspective of the infinite. The resolution of this state represents a continuation of the process of taking a cosmic perspective beginning with the realization of the finitude of our individual self. According to Kohlberg, it represents in some sense a shift from figure to ground. The self is seen from the distance of the cosmic or the infinite. In a Stage 7 state of mind, we identify ourselves with the cosmic or infinite perspective and value life from its standpoint. This philosophy of life can be found in the work of for instance Spinoza, who described this state of mind as "the union of the mind with the whole of nature", a state of mind not restricted to religious people but accessible to anyone who is overwhelmed when being on a mountaintop of before the ocean. In those situations, background becomes foreground, the self no longer being figure to the ground: we sense the unity of the whole and ourselves as part of that unity. This experience of unity, often treated as a mere rush or mystic feeling, is also associated with a structure of conviction (Kohlberg & Power, 1981, 234; Kohlberg & Ryncarz, 1990, 192, 195)[85].

From a cosmic perspective, post-conventional principles of justice and care are perceived within in what Kohlberg broadly termed a natural law framework. This means that moral principles, duties and rights are not seen as arbitrary human inventions or dependent upon social convention, but are rather seen as principles of justice that are in harmony with broader laws regulating the evolution of human nature and the cosmic order. Kohlberg and Ryncarz (1990, 195) emphasize that individuals can apprehend these laws of nature through the exercise of reason and by having faith in justice which is rooted in a cosmic perspective. In the opinion of Kohlberg and associates (1983, 42), a soft Stage 7 of ethical and religious thinking presupposes but goes beyond post-conventional justice reasoning. It is not a reconstruction of a Stage 6 justice structure that better solves the problems also faced by Stage 6 in the same way that Stage 6 is a more appropriate reconstruction of Stage 5. The development of soft stages toward the cosmic perspective informs us of trends in human development which cannot be captured within a conceptual framework restricted to the study of justice reasoning per se. This resoluteness comes from seeing principles of justice as not only a social contract to resolve conflicts in a civil society but as the reflection of a higher order inherent in both human nature and the natural or cosmic order (as is put forward by, for instance, Socrates and Martin Luther King, both moral educators for justice). In short, essential is the recognition of a natural higher law grounded in human reason and prescribing respect for human personality. This allows people to disobey unjust laws (that is, any law degrading human personality). Kohlberg, while rejecting divine command theory and emotivist theory in its Freudian form (Kohlberg & Power, 1981, 207-208), discusses two different expressions of natural law theory in the metaphysics of Marcus Aurelius and the natural rights social contract variety of Benedict de Spinoza. From the work of Spinoza, Kohlberg emphasizes the notion that if we understand Life, or Nature, or God, or Ultimate Reality, we cannot help but love it and all things in it. If we love Life, or Nature, or God, or Ultimate Reality , we become capable of overcoming all the pains of life. To Spinoza, the demand for our survival can be met only by identification or union with something more eternal. This knowledge and love of Nature is a form of union. Spinoza claims that our mind is a part of

a whole, and if we know and love the eternal, we ourselves are in some sense eternal (Kohlberg & Power, 1981, 250; Kohlberg & Ryncarz, 1990, 199-201).

Important, of course, is the relationship of Stage 7 ontological thought to stages of moral development. To do so, Kohlberg first describes the functions of moral thinking and ontological thought. The function of moral or justice reasoning is to resolve competing claims among individuals based on a norm or principle (at least, in the way Kohlberg conceptualizes ethics, HB). The primary function of ontological thought is to address the issue of how morality and the meaning of life fit within the context of one's relation to the universe, the transcendent, or sense of the whole. In examining the reciprocal relationship of ontological thought to morality, Kohlberg refers to the work of Toulmin (1950), who points out that the domain of moral reasoning is not fully self-enclosed but that moral questions can point beyond themselves to the ontological domain. Toulmin argues that if we continually ask for the reasons a particular norm should be upheld, we will, after some time, exhaust the possible moral reasons supporting the norm. We will find ourselves asking: "Why be moral at all?", a question that no longer can be answered strictly on moral grounds. The "Why be moral?" question appears at the limit of moral inquiry and raises a new problem for consideration, namely the fundamental meaningfulness of human activity. Toulmin states that the ontological problem is one in which the individual, while being finite and uncertain, seeks for assurance in the future (Kohlberg & Ryncarz, 1990, 201). The ontological response to the limit question of morality respects the integrity of the moral domain. Kohlberg recalls the philosopher Bradley who discussed the nature of the question "Why be moral" in a helpful way by emphasizing that the answer of ethical egoism – basing morality on non-moral ends, such as pleasure - contradicts the very meaning of morality. In Bradley's words (1962, 62):

> "To do good for its own sake is virtue, to do it for some ulterior end or object not itself good, is never virtue; and never to act but for the sake of an end, other than doing well and right, is the mark of vice" .

Thus, the question makes no sense if we take it to mean: "What is the payoff for being moral?" The question "Why be moral?" is a question about the meaningfulness of one's existence as a rational being, since pursuing virtue may even remain unrewarded. According to Kohlberg, development to a cosmic perspective may offer a way of accepting reality as ultimately trustworthy in spite of the ambiguity occasioned by the seeming gap between the moral ideal and the real and by the existence of suffering. Ontological and ethical development to a cosmic perspective addresses questions that arise at the boundary of moral reasoning. These questions ask in one form or another "Why be moral?" Thus, Kohlberg concludes, ontological questions presuppose moral structures but go beyond them in search for answers (Kohlberg & Ryncarz, 1990, 201-202). Kohlberg turns for support to Fowler's theory on stages of faith that outlines ontological development. These stages of faith broadly parallel the moral stages, but also go beyond them. The stages of faith Fowler found empirically trace the structural development of a person's tacit view of the world. This ontological development is marked by structural changes in the view one has of the universe, or being, and one's relation to it. Fowler defines faith broadly, as one's orientation to the ultimate environment in terms of what one values as being the most

relevant and important in life. In Judeo-Christian (and Islamic, HB) thought, this ultimate environment is defined as a personal God and His Kingdom, which is the endpoint of human history. The ultimate environment need not be linked to a personal deity, as is common in pantheistic or agnostic thought. Thus, Fowler makes a distinction between faith and religion, faith being largely tacit, a universal quality of knowing and relating. Religion, then, is a particular expression of faith in which the nature of the ultimate environment is explicitly described in relation to God. According to Fowler, Stage 6 - the most developed stage of faith - is a structure in which one experiences an oneness with the ultimate conditions of one's life and being. By its description, this stage of ontological development (Universalizing Faith) can be generally equated with the moral metaphorical Stage 7, but goes beyond moral reasoning as such. Fowler claims that his stages of faith provide a more extensive framework for understanding moral motivation and accountability than the stages of judgment alone by pointing out that one's commitments, loyalties, and sense of meaning in life inform the way in which one acts as a moral agent. In Fowler's approach to faith, no clear distinction may be drawn between a person's stage of faith and a person's stage of morality, because each moral stage presupposes faith even if such faith is tacit. Kohlberg thinks Fowler is correct in objecting that moral; stages alone cannot provide a sufficient answer to the question "Why be moral?"

According to Kohlberg, Fowler is also correct in pointing to the stages of faith as adding to our understanding of the person's actual moral decision and actions. However, Kohlberg continues, Fowler's broad definition of faith, which does not distinguish it from moral judgment, may lead to confusions that make the empirical study of the relationship of ontological development to morality difficult, for instance because of Fowler's assumption that his faith stages represent Piagetan structured wholes like the moral stages. Earlier, Kohlberg (1984; 1990) addressed the issue of adult development research that remains within the strict Piagetan paradigm and research that does not, distinguishing between hard structural and soft structural stage models. *Hard structural stages* have all the formal properties Piaget attributed to them (and from which the equilibration can be derived). *Soft structural stages* reflect qualitative age development, but need not have all the stage properties assumed by Piaget(see, for instance, Dawson, 2002). Fowler's stage model of faith development falls within the latter category (Kohlberg & Ryncarz, 1990, 202-204).[86] Hard-stage models leave unanswered the great existential questions, including "Why be moral?" The answers to these questions cannot be given within a rational logic of justice, balancing the claims of individual egos. Such a rational logic cannot explain the unique characteristics of adult development, with its existential reflective theories and post-conventional experience. It is only against the broader background of a basic ethical-ontological orientation that the justice operations of moral reasoning take holistic meaning in terms of one's total life. According to Kohlberg, the only ethical-ontological orientation that appears capable of generating a fully adequate resolution to ultimate moral questions is a cosmic perspective that cannot be structured solely based on formal operational thought. Rather, this orientation appears also to rely upon some type of transcendental or mystical experience of a level at which self and universe seem unified. Such experience appears to be both necessary in stimulating the shift to a cosmic perspective and instrumental in de structuring of its key features. Yet, Stage 7 is a soft

stage, and not a hard stage in the Piagetan sense. Thus, in achieving the fullest level of moral development, hard stages serve as necessary but not sufficient conditions, and the development process must include maturation in reflective modes of thinking (Kohlberg & Ryncarz, 1990, 206-207). As such, Stage 7 can be described in terms of a spiritual, cosmic orientation, a sense of unity of the mind with the whole of nature, unconditional honesty, and a personal vision on life in general (Van Praag, 1996, 10).

What is right?	Why be right?	Sociomoral perspective
To do good (well and right) for its own sake.	To arrive at a holistic meaning in terms of one's total life from a cosmic perspective.	A spiritual, cosmic orientation, a sense of unity of the mind with the whole of nature, unconditional honesty, and a personal vision on life in general

One might doubt the relevance of Stage 7 to moral climate theory, especially when moral climate is conceptualized in terms of dominant structures of moral argumentation. Although indeed a spiritual cosmic moral climate is not likely to exist, we do have to reckon with the possibilities of CEO's or entrepreneurs owning small firms wanting to impose their alleged Stage 7 spiritual thinking upon their subordinates. Literature on the morality of management, for instance, Lichtenstein, Smith, and Torbert (1995) emphasizes both the existence and the desirability of post-conventional moral deliberation and beyond. According to these authors, each developmental stage has both positive (light) and negative (shadow) aspects affecting the ethical behaviors of leaders of that stage. It is assumed that later stage leaders can have more significantly negative effects than earlier stage leadership. In doing so, the authors introduce a second criterion of evaluation: apart from the moral criterion, there appears to some sort of contingency criterion, which simply means that level of ethical development should match tasks and assignments.

Their typology entails a variety of managers of different developmental stage (for the most part taken from Torbert, 1991). Put into Kohlberg's terms, Stage 1 leaders are Impulsive, but since they appear not to exist among the living (at least not in the researchers' sample), this type is left out of consideration. Yet, experiences of many employees will confirm the existence of Impulsive leaders to a high degree (Bennink, 2005). Stage 2 leaders are called Opportunist. They are deceptive, distrustful, externalizing blame while unwilling to accept responsibility, seeking to get away with anything they can, acting only for instrumental purposes, based on manipulation and possibly revenge. Yet they might be admired for their courage and capability to explore the world. The authors also distinguish Diplomatic managers (Stage 3), Technician Managers (Stage 3-4), Achiever managers (Stage 3-4 or 4). It should be noted at this point, that the typology does not match entirely with Kohlbergian stage descriptions. At the post-conventional level, the authors distinguish three stages of managerial development: the Strategist, the Magician, and the Ironist. They consider these stages to post-formal developmental stages, since persons at these advanced levels develop their own system of ethics through their interactions with varying environmental contexts, rather than by adopting a specific, formal moral philosophy drawn from a particular society. Lichtenstein, Smith & Torbert (1995, 106) hurry themselves to say that since

moral development involves an increasing questioning of assumptions and a continual reframing of experience in the light of increasing sensitivity to all aspects of both the internal and external worlds, extremely few managers will be found in these three post-formal stages of development.

Perhaps better so, one might conclude, when 'late stage' managers prove to be detrimental to the effectiveness of their organization. This will not prevent managers from taking a spiritual stance, even when they have not reached Stage 5 or Stage 6. In any moral climate, spiritual elements may play their part as a cultural dimension, but is more likely to find them in the higher stages, perhaps only in the post-conventional stages. Since Stage 7 is not a hard stage, but a soft stage, its elements may also mingle with lower stages moral argumentation, though perhaps in a less mature form, and full of contradiction with other elements of moral argumentation. Hence, in moral climate theory we need to reckon with soft spiritual elements in any type of moral climate, each with its own contradictions.

(7) Stage-consistency

An essential part of Kohlberg's theory is the necessity of succession of stages as hierarchical arranged, coherent and fixed moral reasoning structures. The sequence of hard stages is logically fixed, simply meaning that any other sequence is logically impossible. Skipping stages does not appear very logically either: every stage is passed through step-by-step. Of course, people can be hampered in their moral development and hence remain stuck in a particular stage. Many people do not reach the post-conventional stages, because of either external pressures or moral laziness, and are satisfied with moral judgment structures from lower stages. Finally, people may show stage differences between their moral competence and their intended or actual moral performance. This faces us with a number of theoretical and practical issues with regard to a theory of moral climates.

An important issue is whether the separate stages each constitute a structural unity. It is important here once again to recognize the differences between logic of development and dynamics of development, between structure and content and between moral competence and moral performance, and avoid confusing them. In the first place, we will focus on structure of moral reasoning. From a logical perspective, there are delineated structures of moral reasoning that can be arranged into a hierarchical and developmental order. However, this does not imply that people are always in one stage when moral development is considered from a psychological perspective. This will not be true when considering moral performance, but, as we will see, neither is true with regard to moral competence.

The developmental nature of Kohlberg's theory implies that each next stage both transcends and encloses the previous stages. This means that someone in Stage N has not only left behind the moral argumentation strategies of Stages N-i, but has them still within reach, both as competence and as intended or actual performance. What then, is meant with stage-consistency when people use different forms of moral position taking from various stages? A possible solution offers the distinction between moral competence and moral performance. A person's moral competence is the highest stage present in that person. However, in everyday life, that person's moral

performance will be driven by lower stage argumentation strategies, perhaps according to what the circumstances demand and make possible or because of other reasons. Moral performance is influenced by the interaction between that person's moral competence and other factors, including that person's actual position in society or in the organization, organizational factors including the moral climate of the organization or its formal and informal subsystem, and that person's takes and assignments and the interests at stake.
Logically, the question is whether a separate stage is a defined whole as a combination of a specific moral horizon and a specific form of moral position taking. However, the stages as distinguished by Kohlberg are less a structural unity than he assumed initially, due to the possibilities of branching. This means that, on the logical level, stage descriptions can be differentiated, as was suggested above. Psychologically, the question is whether people always will use the stage argumentation style, or switch according to circumstances and subjects. In this respect, domain specific development is an interesting line of thought to explain inconsistencies within both moral competence and moral performance. Domain-specific development means that with regard to some domains moral consciousness is developed further than concerning other domains. So to say, development may not be simultaneous or parallel with respect to all moral issues one is faced with. As Locke (1979, 171) puts it, "subjects tend to be at different stages of reasoning on different topics", though this not invalidate the notion of stages as forms of thought, structural wholes on the logical level (Turiel, 1969, 115). From a dynamic point of view, development may be advanced in those areas in which one has to accomplish important tasks and assignments. Those areas asking for complicated moral deliberation - complicated because of multiple interests and multiple rules - will evoke a form of moral position taking from a higher stage than relatively simple issues will do about which one does not have much background knowledge. In other words, one should dispose of knowledge of the problem area about which moral judgment have to be made, as well as knowledge of the moral dilemmas that may and will occur in that area. Furthermore, one should dispose of knowledge about prevailing rules and practices, know current laws and regulations, and know who has formal responsibility. Because a person cannot be developed in this respect for any problem area, simultaneous development in concerning all moral issues is unlikely. Specific features of the decision situation, that is the specific object of moral deliberation, will play an important role in establishing both moral competence and moral performance. From this perspective, it is possible, that a person is in Stage N when facing problem area A, while being in Stage N-1(-2) or N+1(+2) when facing problem area B. This non-concurrent development on its turn can be explained developmentally. When moral development is explained as reaching Stage N+1 to solve a current conflict between an experience and the actual moral judgment structure of stage N, this does not imply that this Stage N+1 will immediately and automatically be generalized to all other possible objects of moral decision-making. Type of moral justification will be connected to personal experiences and specific situations, particularly concerning regarding tasks and assignments that person is faced with[87].

Kohlberg's claim of stage consistency is challenged and even put at risk when we consider moral deliberation and moral action as being specific to situations, roles, tasks and assignments (as was

discussed above in terms of the General Model of Hierarchical Complexity). For every individual one could establish to which degree that person is rigid (that is, true to himself) in various environments, or adjusts himself without effort (that is, without twinges of conscience) to any kind of environment.
An influential factor concerning unequal performance (among all the other factors mentioned by Rest, see the scheme presented above), here, may be the dimension proximity-distance mentioned earlier: the closer a person is emotionally involved with an object of moral decision-making, the lower the actual stage of moral reasoning (performance). This can be explained with the rationality-inhibiting effect of emotions, in other words, a lack of coolness. In much Kohlbergian inspired research, this is found to be effective. When people were faced with hypothetical dilemmas (and were asked, "What should you do?"), moral stage scores turned out to be higher than when people were faced with real everyday dilemmas (and were asked: "what would you do?"), possibly in the way represented in the schema below

type of dilemma	competence or performance	highest level of moral reasoning measured
hypothetical	competence	****
hypothetical	performance	***
real life	competence	**
real life	performance	*

These considerations are important to moral climate theory. The fact that people can and will deliberate along the lines of more than one stage, makes it likely that people within organizations can and will adjust (with more or less effort and with more or less moral conflict) to the dominant style of moral reasoning, assumed that this style is equal or beyond their moral competence. After all, people can rely on lower moral competences still being available. Adaptation to higher styles is difficult, though not impossible, implying moral development. Development occurs when a person understands and adopts the argumentation schemes of Stage N+1. The idea is that one cannot give justifications from higher stages than the stage of one's actual moral competence. Perhaps one can pretend to be post-conventional, be it at the expense of being unveiled as a phony. Because of the premises of Stage 5 moral reasoning, people in post-conventional stages will show more consistency between competence and performance. This touches the important issue of the relation between moral reasoning and action (Blasi, 1980; Kohlberg & Candee, 1984).
Domain specific development can - if connected to specific tasks and assignments - explain why in one part of an organization a higher level of morality can be perceived with respect to one particular aspect (or domain), and only lower levels with regard to others aspects. For instance, with regard to safety aspects high levels of morality could have been reached, whereas facing other issues, employees appear to have competences of one or more stages below. Other domains include learning, innovation, creativity, safety, trust, customer relations, environmental issues, employer-employee relations, corporate social responsibility, as well as other domains and issues involving moral argumentation.
These formulations have at least two important implications.
(1) Since climates are always climates for something, it can be concluded that the moral

perspective is not one of the possible climate domains or perspectives among other domains or perspective, but a transcending perspective permeating all other issues perspectives. To be more precise, the moral climate determines whether and how the other domains or perspectives are dealt with. In this line of thought, moral climate consists of the dominant structures of moral argumentation having (one or more) of the other domains or perspectives as its specific contents.

(2) Apparently, there is not always generalization of moral competence among domains, perspectives, and issues. When developing moral climate, these domains, perspectives, and issues should be taken into consideration, for instance by taken the highest stage of moral competence as a point of departure and then try to generalize it to other domains, perspectives, and issues based on the idea that the competence is already present, though only related to special perspectives, domains and issues. In these cases, horizontal development takes place.

When translated into moral climate theory, the issue of stage consistency is relevant for another reason. Does there need to be a consistent moral climate over time, or is variation possible, depending on the objects about which moral deliberation takes place, on specific tasks and assignment, and possible influences from the organizational configuration? This issue refers to the strength or weakness of a moral climate, as was discussed in chapters 1 and 3. Strength was defined in terms of the level or degree of homogeneity and coherence (unidirectional, pervasive, visible, dispersed, and intense) - whereas weakness on its turn refers to the level or degree of *heterogeneity* and *incoherence* (not unidirectional, not pervasive, not dispersed, though visible and intense in its *heterogeneity* and *incoherence*). A moral climate that is homogeneous (strong, generalized, or pure) probably is harder to change than a moral climate that is heterogeneous (weak, specified, or mixed). A strong moral climate will not allow other types of moral argumentation other than those chosen for in collective development. A weak or mixed moral climate allows a variety of argumentation strategies to coexist, and will change according to the moral argumentation strategy that becomes dominant, perhaps when related to the object of moral decision-making. This may facilitate development, but because of the same reason, regression to lower stages of moral performance is also possible.
Whether a moral climate is strong or weak depends also on the level of analysis. When taking a department as the level of analysis, moral climate may be strong, whereas when taking the entire organization as the level of analysis, moral climate may appear to be less strong due to variation across departments. When it comes down to implementing programs of intervention, it is useful to reckon with these level-of-analysis differences.

With regard to stage consistency, apart from the considerations presented above, Stages 3, 3/4, and 4 are less univocal than one should expect from the theory. This is due to the phenomenon of branching described above (within a certain moral horizon multiple forms of moral position taking may occur, not only deontological, but also axiological, aretaic and teleological or consequentialist). While branching refers to the *structure* of moral reasoning, with regard to *content* more differences within stages may be expected. In Stage 3, several types of group norms may

occur, or diverse group or team interests. Within Stage 3/4, concrete short term and long term interests refer both to the moral horizon of the organization, but may heavily conflict. With Stage 4, content inconsistency may occur because legislation is not always internally consistent, and also because nation-wide laws may be in conflict with supranational laws and conventions (as in Europe) or state laws may be in conflict with US government laws and conventions (as in the USA or Germany. As we have seen, differences can occur because of different forms of capitalism, different forms of legality, differences in national cultures, and positions taken on the communitarianism – liberalism continuum. In addition, there are prescriptions of the United Nations and other supranational organizations. The argumentation strategy is the same (Stage 4), but it contents may vary, up to internal inconsistency).

III Empirical issues

Kohlberg and associates have revised and reformulated the theory several times because of research outcomes, and refined the methodology. Here, only those theoretical and methodological refinements will be considered that bear relevance to moral climate. In the discussion of stage consistency, we already discussed the difference between measuring moral competence and moral competence by using both hypothetical and real-life moral dilemmas and by asking both "should-questions" and "would-questions" to answer the question what exactly is and should be measured through the *Moral Judgment Interview* (MJI) and *Standard Issue Scoring* (SIS). In this part of the text, we will briefly consider Kohlberg's methodology. An issue to be addressed in the next section is whether moral climate can be measured in ways analogical to the measurement of individual cognitive moral development.

In the initial methodology, Kohlberg used context-free hypothetical dilemmas, including the well-known Heinz case:

> In Europe, a woman was near death from a special kind of cancer. There was one drug that doctors thought might save her. It was a form of radium that a druggist in the same town had recently discovered. The dug was expensive to make, but the druggist was charging ten times what the drug cost him to make. He paid $400 for the radium and charged $4,000 for a small dose of the drug. The sick woman's husband, Heinz, went toe everyone he knew to borrow the money and tried every legal means, but he could only get together about $2,000, which is half of what it cost. He told the druggist that his wife was dying, and asked him to sell it cheaper or pay him later. But the druggist said: "No, I discovered the drug and I'm going to make money from it." So, having tried every legal means, Heinz gets desperate and considers breaking into the man's store to steal the drug for his wife.

In the use of the case for research purposes, the main questions are "Should Heinz steals the drug? Why or why not?" (Kohlberg, 1984, 640-641). Apparently, this line of investigation asks for moral competence when asking "should-questions". Hypothetical dilemmas guarantee that there will be no distractions due to casual case contingencies. Kohlberg's intentions were clear:

> "We have attempted to minimize the gap between competence and performance by using hypothetical dilemmas, by using probe questions that attempt to elicit the upper limits of the subject's thinking, and by our scoring rules according to which only the most mature expressed version of a particular moral idea is scored" (Colby & Kohlberg, 1987a, 5).

According to Wark and Krebs (1997, 172), the main reasons why Kohlberg's dilemmas evoked

higher stages of moral judgment than the real-life dilemmas evoked are implicit in this statement. It is easier to make high-stage moral judgments on hypothetical dilemmas than on real-life dilemmas, since Kohlberg's dilemmas are accompanied by high-stage pulling probe questions, and low-stage moral judgments are discounted when they are upgraded in the scoring system. However, moral performance is not measured, let alone moral behavior. Therefore, a higher level of moral development may be measured than when people have to regard the consequences of choices in a personally committed way. In any case, it is important to distinguish between tapping moral competence and moral performance, to avoid confusing both researcher and respondents/informants (De Mink, 1996, 47).

Weber (1990; 1991) found that the stage of moral development was one stage higher when presenting hypothetical dilemma scenarios to managers than when presenting real-life dilemmas manager would face on their shop floor[88]. His critique on Kohlbergian method concerns several issues:

1) The question used to tap morality while using hypothetical dilemmas are too general to use in research in organizational contexts.
2) Oral interviews are time-consuming and expensive while results can just as good arrived at by using written methods (and save time and money when respondents need not be interviewed during working hours)
3) Scoring procedures as proposed by Kohlberg and others are so much laborious and time-consuming (though very precise), that they are not very useful in those situations in which findings need to be available quickly. To give an indication, the 1987 scoring manual contains no less than 977 pages (Colby & Kohlberg , 1987b).

Giving in to these objections, Weber proposed another line of investigation considered more appropriated to tap moral performance. His approach suggests that real life dilemmas (instead of hypothetical ones) ask for more committed modes of responding. Weber's (1991, 294-295) adaptation of Kohlberg's theory - constructed to enhance the assessment of managers' moral reasoning – and his recommendations (Weber, 1992, 153-156) for using scenarios emphasize several points that are important for moral climate theory:

- avoid the "reinventing the wheel" syndrome by considering existing tried and tested moral dilemma scenarios (at least with regard to the underlying argumentation structures, while contents may vary), but develop valid and reliable new scenarios (embodying the ethical issues intended taken from the reality of the organization)
- use a correct number (no less than three, and no more than, say ten) and a mixture of less familiar and more familiar moral dilemmas in order to avoid bias
- carefully select (either close-ended or open-ended) response options and follow up questions which probe managers' moral reasoning by focusing upon key organizational values,
- the flexibility of utilizing either an oral (for instance, in-person interviews or in-basket exercises) or written interview method,
- use appropriate population sampling (enough research units, covering all relevant subsystems of the organization, HB)
- include procedures to improve response rate (Dillman, 1978, 160-169), and to control social desirability bias (Nederhof, 1985; Randall & Fernandes, 1991; Fernandes & Randall, 1992)

- use a simple, yet reliable, system for scoring the managers' responses and identifying their stage of moral reasoning (while using multivariate statistical analysis, if possible).

Weber (1991) proposed an example of a moral dilemma scenario meeting these conditions:

> Evelyn worked for an automotive steel casting company. She was part of a small group asked to investigate the cause of an operating problem that had developed in the wheel castings of a new luxury automobile and to make recommendations for its improvement. The problem did not directly create an unsafe condition, but it did lead to irritating sounds. The Vice President of Engineering told the group that he was certain that the problem was due to tensile stress in the casting.
> Evelyn and a lab technician conducted tests and found conclusive evidence that the problem was not tensile stress. As Evelyn began work ok other possible explanations of the problem, she was told that the problem has been solved. A report prepared by Evelyn's boss strongly supported the tensile stress hypothesis. All of the data points from Evelyn's experiments have been changed to fit the curves, and some of the points that were far from where the theory would predict have been omitted. The report "proved" that tensile stress was responsible for the problem.

Here also, the main question is a "should question": Should Evelyn contradict her boss's report? Why, or why not? (Weber, 1991, 316). Apart from tapping moral competence by asking "should questions", these dilemmas can be used to tap moral performance by asking "would questions". "Should-questions" measure moral competence, whereas "would questions" measure moral performance, at least, intentions for moral performance, since people can always act in a different way than they say they will.

However, the question remains whether Weber's objections are convincing and his alternative approach fruitful. His first objection and accompanying alternative (concerning hypothetical and real-life dilemmas referring to the context of the organization researched), is convincing at first sight, provided that the measurement and analysis of moral competence and moral performance are strictly separated in order to avoid the aforementioned confusion. Several other authors promote the use of real-life dilemmas over hypothetical dilemmas. According to Elm and Weber (1994, 353) hypothetical dilemmas may lack immediacy for respondents; as Wark and Krebs (1997, 171) posit, learning what people are capable of in ideal situations is of little value if it does not relate to what people actually do in real-life contexts. Randall and Gibson (1990, 465, 466) suggest that the key problem with hypothetical direct questions and scenario formats is their vagueness and generality: the problem situation is described so briefly to the respondent that it is difficult for him or her to evaluate and for the researcher to attain any reasonable degree of within-subject reliability. Scenarios and questions clearly need to be developed with a concern for realism while avoiding closed-ended questions (since moral issues do not typically present themselves in multiple-choice form; sometimes it is necessary to invent a solution rather than to choose one of several presented). Walker, De Vries, and Trevethan (1987, 842-843) also mention the limited generalizability of hypothetical dilemmas, because of their focus on issues that may be unfamiliar or irrelevant, and as such, may minimize the individual's identification and emotional involvement with the issue. It would thus better to focus on social situations that implicate the respondent in order to gain reliable responses. Armon (1995, 50) says that moral judgment in real-life should involve interpretations of the environment, of others' reactions, and assessments of the self's desires, needs, motivation, capacities, varying with each situation. Dilemmas relating to business contexts may this result in different moral reasoning levels than those containing

more broad hypothetical socio-moral dilemmas (Elm & Weber, 1994, 351).
A further distinction can be made between dilemmas constructed by researchers and dilemmas constructed by respondents based on their life experiences. In fact, four types of moral dilemmas can be used in moral reasoning and moral climate research: hypothetical dilemmas, either constructed by researchers or self-constructed by respondents, and real-life dilemmas, either constructed by researchers or recalled and self-reported from their own experience (Krebs & Denton, 2005, 636; Walker et al, 1987, 855; Wark & Krebs, 1997, 166). Real-life dilemmas constructed by researchers need to be extracted from recognizable business contexts, and can be elaborated from self-reported dilemmas. These dilemmas must cover the full range of moral issues (that is, not be incomplete, inaccurate or biased, or restricted to issues concerning self-image, emotions, preoccupations, conscience, guilt, or character, but contain both prosocial and antisocial issues, as was mentioned above) and must involve consequences for parties involved and concern parties with a vested interest in outcomes. Furthermore, if possible, real-life moral dilemmas must evoke strong emotions (such anger, guilt, fear, resentment, or frustration), which may affect moral decision-making, and must always be precipitated by behavioral acts and require behavioral decisions. Finally, real-life dilemmas must be applied in a reliable and valid manner if supplied with the right questions (Krebs & Denton, 2005, 637, 638; Wark & Krebs, 1987, 169-170, 175).
Concerning the second and third objection, we need to be more reluctant. Despite the alleged economic advantages, the use of written questionnaires with simplified scoring procedures, without the possibility of asking follow-up questions or asking for clarification or explanation, should not be recommended. Unreliable answers are not recognized and not questioned. In those cases in which respondents do not recognize a moral dilemma in the story, moral judgment competence is not addressed and possibly, a lower stage answer might be the result.
Kohlberg has always rejected the use of written questionnaires, because of the impossibility to specify moral contents and clarifying the wordings chosen by the respondent. Since not the contents of the answers given matter, but the structure of moral reasoning, interviewers should have to opportunity to ask follow-up questions, or to specify or alter the layout or the horns of the dilemma in order to make it a real dilemma to the respondent. By implication, identifying a person's stage of moral development properly requires an in-depth interview in which as much as seven dilemmas are presented, lasting about one hour or one hour and a half. This requires advanced interviewing and scoring skills on behalf of the researchers. Apparently, identifying morality cannot take place on a quick-fix base.
However, Weber still has the point of Kohlbergian method being laborious and time-consuming. In fact, Weber addresses the dilemma of scientific rigor versus practical use. In moral climate research, organizational conditions may force researchers resorting to written questionnaires and simplified scoring procedures as the lesser of two evils (no data versus questionable data). In these cases, findings cannot be presented but with reluctance.

As we have seen above, another development in cognitive moral developmental theory concerns the theory of Rest, who proposed a more complete account of morality and designed research a instrument adapted to that account, the *Defining Issues Test.*

> The DIT is non-interview measurement instrument consisting of hypothetical dilemmas (either six or three) to assess moral reasoning without relying on the verbal skills of respondents. Subjects respond to the dilemmas by rating and ranking the importance of a series of statements prototypical of the different stages of moral reasoning. Requiring both the rating and ranking tasks allows for a consistency check for individuals who might check at random through the instrument. Measurement of an individual's moral reasoning level is accomplished through the calculation of a weighted index of the percentage of stage five and six reasoning used to resolve the dilemmas. The resulting score is called a P score or P index. The percentage of stage five and six reasoning used is determined by the analysis of the representative stage level of the four top ranked statements chosen by the individual regarding what to consider in resolving the dilemmas presented. The actual score is calculated by summing the weights for the top ranked statements and dividing by the appropriate total possible for the version of the instrument being used (see Rest, 1979, 100-102 for further explanation). Apart from the potential difficulty using a non-interview assessment method that an individual inflates the moral reasoning score by choosing statements sounding pretentious, the DIT may actually educational achievement, direct moral training, intellectual skills, and social values rather than a distinct developmental process (Elm & Weber, 1994, 347-348).

Since only a minority of moral climate researchers uses the methodology of Rest, we will pay no special attention to the *Defining Issues Test* and to whether it should or should be preferred above the *Moral Judgment Interview* (for a comparison of the MJI and the DIT, see Elm & Weber, 1994[89]; Reidenbach & Robin, 1995). Instead, we cannot but conclude that both methods contain scoring procedures that require skilled researchers (for MJI more specialized than for DIT) and that both are expensive in terms of time and money. Moreover, in determining the moral climate of an organization (or its formal or informal subsystems), these procedures may turn out not to be very useful, depending on the specific research purposes and research questions. In chapter 6, directions are proposed for constructing sundry versions of the *Moral Climate Questionnaire* fitting research purposes.

However, as a part of the research design, one might wish to measure individual cognitive moral development. In those situations, shorthand methods could be helpful to capture the dilemma between scientific rigor and practical use. It should be kept in mind, that the initial Kohlbergian methodology used depth interviews held by skilled interviewers to answer scientific questions with scientific rigor. The reason behind using the Moral Judgment Interview and calling in skilled interviewers was that people often start with superficial answers that can be explored in an interview to measure the real competence and that ample training and a detailed scoring manual are necessary to arrive at reliable results. Written methods lack the advantage of exploring answers. However, according to Weber (1991), written methods can also tap moral competence in a reliable and valid way while having the advantage of being less time-consuming. The unanswered question remains, whether this advantage in practical use damages scientific rigor.

IV Evaluative issues

From the perspective of moral climate theory, the problematic character of this *evaluative* claim is a reason to spend a brief discussion on this subject.

As Lapsley (1996, 45) summarizes this evaluative claim, each succeeding stage is *psychologically* better than the preceding stages. Each new stage is more differentiated and articulated than its predecessor(s), since the new stage employs cognitive operations that are more stable, more

reversible, and more equilibrated and conceptualizes and solves moral problems that cannot be conceptualized and solved by preceding stages. By implication, every next developmental stage reduces inconsistencies and gives improved (more appropriate) judgment criteria (Van Haaften, 1990a, 52-53). Here a first *isomorphic resemblance* (or structural parallelism) with Piaget's stage theory of cognitive development is supposed: a next stage in cognitive development is better than former stages because it is more coherent and equilibrated and can solve more problems, and is better because of reasons derived from that next stage. The move is made to claim that every next stage is better than the preceding stage(s) on moral grounds as well, since the sequence describes the development of *moral structures*. Hence, because Kohlberg (1971) describes the development of moral *structures*, each new stage is better than the preceding stage on strictly psychological grounds, as we have seen. However, because he describes the development of moral structures, each new stage is better on moral grounds as well. In this way, Kohlberg tried to solve the philosophical problem known as the 'is-ought question', by pointing at an isomorphic relationship between two domains (the cognitive and the moral domain).
With respect to this notion of 'morally better' however, a brief remark should be made that touches the very heart of the evaluative claim. It is not clear from the beginning, what he meant exactly by 'morally better'. Kohlberg has not dealt in a convincing way with the difference between a (empirical) developmental claim - a person argues morally along the lines of stage N - and an evaluative claim - that stage N+1 is morally better than stage N. From the simple descriptive research findings that people develop morally through a number of stages and that this meets a psychological need for stability and adequacy (and is hence better in cognitive respect), cannot logically be derived that this is also morally better, contrary to Kohlberg's key-assertion:

> "The scientific theory as to why people do move upward from stage to stage, and when they factually do prefer a higher stage to a lower, is broadly the same as a [normative] moral theory as to why people should prefer [on formalist grounds] a higher stage to a lower stage" (Kohlberg, 1971a, 223).

In a rather down to earth example: the plain fact that people after a certain age do prefer alcoholic beverages above lemonade does not make the drinking of alcohol better. In the 'is-ought question', the main point is that normative claims are not deducible from empirical claims. Hence 'morally better' is not reducible to 'psychologically better' and moral development cannot be reduced to or deduced from, purely cognitive development claims (Van Haaften, 1997c, 78). Kohlberg's second isomorphic resemblance in solving the is-ought question concerns the reflection and justification of individual moral development of certain developments in ethical theory (culminating in theories like those of Kant, Hare and Rawls with their emphasis on formal procedures, impersonality, multiple perspective taking, universalizability, prescriptiveness and principles of justice). The formal criteria of prescriptiveness and universalizability are concluded to bare isomorphic resemblance with the Piagetan developmental criteria of differentiation and hierarchical integration. This second isomorphic move is considered not very convincing either.

The supposed structural parallels cannot serve as a satisfying explanation, let alone be a firm justification: the simple fact that two phenomena (or theories about those phenomena) do have a certain isomorphic structure, can never be sufficient to assign to claims from one theory a

founding role with respect to claims from another theory. Parallel theoretical structures do not of themselves make claims of one theory true on the basis of claims in the other, and therefore isomorphism between theories cannot be epistemologically effective (Van Haaften, 1984a, 268; Van Haaften, 1997c, 80). This type of argument, called argumentation by analogy, offers only weak types of justification, when standing on its own: it needs a further justification as to why this analogy is good one (and this requires further moral argumentation).
After all, the notion of 'more moral' can be understood in two distinct senses, that is, in a *normative-ethica*l sense and in a *meta-ethical* sense (Van Haaften, 1990, 55-56; Van Haaften, 1997c, 80). So two explanations are possible, assuming that each stage of moral development is not only characterized by judgment criteria that are typical of that stage, but also by a typical stage specific conceptualization of 'morality' from which the criteria are or can be derived. Concerning the question of 'morally better', it can be asked whether this refers to the criteria in use in that particular stage (every next stage giving better criteria in relation with the socio-moral orientation), or to more appropriate conceptions of 'morality' that 'generate' these criteria (Van Haaften & Wren, 1997, 6). That is, 'more moral' refers to both better judgment criteria and better conceptions of morality, the latter coming close to a foundational development claim[90].
In this study, a pragmatic solution for this evaluative problem is sought in terms of the sociomoral perspective, a solution included in the representation of Kohlberg's typology below. It is recognized that this solution is prone to a certain and hardly avoidable circularity and can only be tackled by Münchhausen-like operations or by cutting knots like stipulating definitions (which means in fact the breakdown of argumentation on that subject) (Albert, 1968, 13).

V Interventional issues

The last issue to be discussed concerns the interventional aspects of moral development. After having discussed the "normal" proceedings of stage transition (based on implicit learning), we will discuss several models of moral intervention that are proposed to used in a stage-specific way. Here, we can choose between two levels of intervention, level N and level N+1.
Horizontal development (or consolidation) means that intervention aligns with the present moral climate in trying to strengthen it by offering stage sensitive contents regarding the following points of interest (Wilson, 1980, 5):

- having a stage-specific notion of a "moral person"
- stimulating feelings and meanings belonging to certain rules or principles
- competence of recognizing emotions, moods, and states of mind concerning moral reasoning and acting of self and others
- stimulating moral awareness and analyzing moral aspects of situations and judging and acting concerning those situations
- collecting and evaluating information about facts that are relevant to moral judging and acting
- making and justifying moral judgments.

In case of upward influencing, we speak of vertical development to the next stage, usually by exposing people to moral contents or the moral argumentation style of the stage above. Put otherwise, vertical influencing concerns unguided implicit or explicitly guided learning in which a moral argumentation structure is disputed and rejected and in which a structure N+1 is accepted

(De Mul & Snik, 1987, 118; Walker & Richards, 1979; Walker & Taylor, 1991a).

- *Stage transition*

Before we can discuss intentional interventional aspects of moral development, for proper understanding we have to address the issue of *stage-transition*. Does stage-transition simply some penny-drop moment, is there a gradual transition, or both, in terms of spurts between and plateaus within stages (Dawson-Tunik et al, 2005)? What does this mean for moral climate theory, more in particular for moral climate intervention?

Stage-transition (vertical development) generally is preceded by consolidation or stage-strengthening (horizontal development). Before entering the next Stage N+1, the individual will be more likely to develop a more thorough Stage N competence (and performance, if possible). The general structure of vertical development of structures of moral argumentation of an individual will be accomplished by environmental input or exposing that person to moral argumentation that is one stage (or perhaps two stages) above their actual stage of moral development. It is even better to face that person with problems and issues that cannot be solved or solved satisfactorily by using actual Stage N moral contents and moral reasoning. Important environmental generators of development are supportive interaction, informative interaction as in education (understood as cognitive development) and offering opportunities for perspective-taking and role-taking (Walker, 1980; Walker & Taylor, 1991b).

The resulting conflict between that person's present stage N moral contents and moral reasoning and the contents and reasons presented from stage N+1 will first lead to a recognized discrepancy and an uneasy state of disequilibrium and then be generally resolved by adopting the contents and style of moral reasoning of stage N+1. From this perspective, disequilibrium is the underlying motivational motor or driver (and hence, central explanatory factor) of structural reorganization. In general, development is predicted by a specific distribution of moral reasoning across stages (more reasoning above than below the actual mode, with a high degree of both mixture and bias, as is explained in the consolidation/transition model (CTM) (Walker & Taylor, 1991a, 330; Walker, Gustafson & Hennig, 2001, 187, 188).

> *Mixture* is indicative of the stability of an individual's system of thinking and is quantified by the amount of reasoning not at the modal stage (on the organizational labeled *moral climate profile*). Low mixture indicates a stable, consistent system (strong moral climate profile), whereas high mixture indicates an unstable, inconsistent system, one possibly in the process of transition (weak moral climate profile). High mixture may reflect internal disequilibrium, contributing to developmental spurts and shifts by increasing the probability that discrepancies from the dominant stage of moral reasoning will be noticed. *Bias* is the categorical variable indicative of the type of transitional phase: consolidation or elaboration. Negative bias indicates a phase of consolidation as an individual (or an organization) moves from a lower stage into the current one and is evidenced by more reasoning below the modal stage than above it (that is, more negative than positive mixture). Positive bias indicates a phase of elaboration as an individual (or organization) moves from the current stage to the next one in the developmental sequence and is evidenced by more moral reasoning above the modal stage than below it (that is, a more positive mixture than negative mixture).

It is assumed that the contents and reasons of stage N+1 will be attractive because they help

solving more problems than the contents and reasons of stage N do. Contents and reasons from stage N+2 may not be understood[91], whereas as contents and reasons from stage N-1 will be ignored as useless, or perhaps adopted regressively out of ease, fatigue, fear, or moral laziness. Therefore, to influence moral reasoning at the individual level, one should determine the actual stage of moral development (competence, if possible) and present argumentation schemes that are borrowed from Stage N+1. The same procedure can be used when influencing moral climate (at least in face-to-face interaction). Below, more attention will be paid to issue of moral climate intervention. The leading idea is, that moral climate intervention should always be tailor-made, that is, both stage-sensitive and stage-specific, as is advised in the approach of individuals.

However, from a logical point of view, something peculiar seems to occur with attempts aiming at vertical development. As it happens, when someone is invited to understand Stage N+1 moral argumentation, and that person understands this type of argumentation, this attempt to influence most likely was not necessary at all. If this person has not internalized this Stage N+1 structure already, s/he will probably not be able to make much out of it, and hence, strictly spoken, intervention is not possible yet. This apparent paradox can be solved by understanding the acquisition of a new structure of moral judgment in terms of "penny-drop" moments (as an explanation of the occurrence of spurts and shifts). Suddenly, in a moment of great brightness, the individual sees through the essence of structures N and N+1 and captures the reasons why is N+1 is better than N: the penny has been dropped. This penny-drop moment cannot be planned, but can be prepared, for instance by confronting that person with Stage N+1 (or perhaps Stage 2) argumentation (De Mul & Snik, 1987, 118-119). Perhaps, it is a bit more complicated, yet. It is important to note that, empirically spoken, stage-transition generally passes gradually, as Kohlberg's examinations showed, and was explained above. It is true that implicit learning plays it part, but intentional intervention with regard to a person's moral deliberation and action is possible, based on the assumption that a person's moral deliberation and action is seldom entirely coherent (as was described above in terms of mixture and bias). This means, that this person this person for one part is in Stage N, and for another part already in Stage N+1. Differences will exist depending on the issue and the object of moral deliberation and action, due to knowledge, affinity and commitment, and previous experiences with that issue and object of moral deliberation. That is, vertical development generally does not take place in a penny-drop manner. We can assume that influencing attempts aiming at Stage N+1 is in fact the consolidation or generalization (or horizontal development) of Stage N+1 competence that has already has been acquired with regard to some objects of moral decision-making that one has knowledge of, is committed to and has gained previous experiences. Active and explicit influencing takes place by confronting a person with argumentation and modes of moral thinking from the next stage(s) in the hope and the expectation that this person accepts these gems gracefully to solve moral dilemmas that seemed unsolvable until that moment.
As we have formulated in chapter 3, intervention must be stage-sensitive (while choosing methods that reflect the frames of the patterns of stage N) and stage-specific (while choosing those methods that anticipate the N+1 stage, or perhaps N+2, if appropriate (Walker, 1982). The idea is that explicit intervention will be more effective when it is conducted stage-specific, by

choosing consciously a suitable model for moral discourse, as will be discussed below.
When moral climate is considered developmentally, stage-transition will take place in approximately the same manner. The only difference is that the incoherence (mixture of moral climate profile) taken advantage of does not exist within an individual (although this is possible, of course), but within a social system (organization, organizational unit or subgroup). Differences then can be exploited to promote stage-transition or to prevent regression of moral performance.

- *Developmental intervention*

How can morality be developed, either in horizontal or in vertical direction? Before answering this question, some preliminary remarks need to be made. Moral intervention itself should be restricted by moral considerations. Though each stage of moral development has its own concepts of morality from which intervention models and techniques can be derived, it is also important to consider general recommendations when choosing interventions (Algera, Jansen, Meykamp & Westerhuis, 1993, 207):

- interventions need to reflect the desired moral situation
- interventions need to contribute to the desired moral situation
- interventions should not damage the interests of both the person(s) influenced and influencing as well the interests of other persons involved ("do no harm")
- interventions should not be contrary to moral principles, rules, norms, and rights.

This means that in any case the interventionist must show integrity while being honest and reasonable.
Moral education literature discusses several models of moral intervention, each with its own points of department, methods, and way of defining the educational relation. These models each give a solution to the dilemma inherent to every moral discourse – indoctrination ("educational imprisonment") versus disengagement ("educational neglect", "generous with an aftertaste of indifference") (Van Haaften, 1990; Van der Ven, 1985, 288-289).
In earlier contributions (for instance, Kohlberg, Kauffman, Scharf & Hickey, 1975, 257) elements of experience-stimulating moral growth were listed, including offering role-taking opportunities, intellectual stimulation, stimulating responsibility, invoking cognitive moral conflict, exposition to the next stage, up by clarifying, presenting and supporting higher-stage reasoning, and living in a community perceived as fair and concerned. Later fashions of the Kohlbergian model of individual cognitive moral development can be considered as an overarching framework in which models of intervention have their place when assuming that models are stage-sensitive and stage-specific and need to be implemented so. People with a Stage 2 orientation in morality need to be approached with a different model of moral discourse than people who have developed and internalized Stage 5 morality. For instance, to pre-conventionals, authority has a different meaning than to conventionals or post-conventionals. The message is to address each person in moral discourse with models that are either fit that person's level of moral reasoning or anticipate the N+1 level from a developmental perspective. Ill-chosen models can even have contra productive outcomes. The gamut of models of moral intervention consists of (Bennink, 1996; Coombs, 1980a, 14-17; Duska & Whelan, 1975, 112-114; Van Haaften, 1990a; De Mul & Snik, 1987, 117, 125; Van der Plas, 1981; Roumen, 1988; Snik, 1990, 312-331; Snik, 1991; Snik &

Ritzen, 1992; Steutel, 1989a; Van der Ven, 1989, 38-51):

- *conditioning* through habituation based on either negative sanctions (punishment) or positive sanctions (rewards)
- *transfer* of moral conventions and other moral contents while aiming on internalization
- *clarification* of moral conventions and other moral contents already present
- *presenting and explaining scenarios* concerning possible courses of moral action
- *argumentation* about moral issues in order to generate moral wisdom[92].

Models of moral discourse connected with stages and aims of intervention

aim of intervention: stage of moral development:	consolidation of stage N	development to stage N+1
pre-conventional Stage 1 *heteronomous morality* *("fear for punishment")*	- habituation through negative reinforcement (punishment) - scenario model (take it or leave it)	- habituation through positive reinforcement (rewards) - scenario model (Stage 1 - 2)
pre-conventional Stage 2 *obedience and exchange*	- habituation through positive reinforcement (rewards) - scenario model (take it or leave it)	- transfer of conventions - scenario model (Stage 2 - 3)
conventional Stage 3 *good interpersonal relations* *("good boy nice girl")*	- transfer of more/other Stage 3 conventions -clarification of conventions - scenario model (take it or leave it)	- transfer of Stage 3/4 conventions - clarification of conventions - scenario model (Stage 3 - 3/4 - 4)
conventional Stage 3/4 *organizational morality*	- transfer of more/other Stage 3/4 conventions - clarification of conventions - scenario model (take it or leave it)	- transfer of Stage 4 conventions - clarification of conventions - scenario model (stage 3/4 - 4)
conventional Stage 4 *social system and conscience* *("law and order")*	- transfer of more/other Stage 4 conventions - clarification of conventions - scenario model (take it or leave it)	- clarification of conventions - argumentation
post-conventional Stage 5 *social contract or utility and individual rights*	- argumentation - meta-argumentation	- argumentation - meta-argumentation
post-conventional Stage 6 *universal ethical principles*	- argumentation - meta-argumentation	- contemplation
post-conventional Stage 7 *spirituality*	- contemplation - (meta)argumentation	

Of course, a brief indication does not explain how these models can be translated into methods and techniques, and unfortunately, the present study is not the place to conduct this exercise. Nevertheless, to give a better idea, two methods can be mentioned, that can be used in moral climate intervention, aiming either at consolidation or at development:

- presenting stories with moral dilemmas built-in (both fictive and real-life), usually about confrontations between legal and moral commitments, between authority and contract,

private and public responsibilities (choices between two bad alternatives as well as between good alternatives) (Karssing, 1999, 94-96; De Mink, 1993);
- role-playing as a means to develop social competence through imagining oneself into the position, emotions, and ideas of other people (Higgins & Gordon, 1986, 261).

Both the dilemma method and role-play ask from the interventionist the ability to be stage-sensitive (N) and stage-specific (N+1) when dressing up the moral dilemmas and directing role-playing. In both methods, the interventionist can use stage-sensitive and stage-specific interventions, aiming at either consolidation or stage transition (widening the moral horizon and adopting other strategies of moral justification)[93]. A special use could be made of so-called reflective questions, creative questions to bring the person one is speaking to in a reflective position concerning moral contents and modes of moral argumentation (Bennink, 1994a; Tomm, 1987).

In chapter 6, we will elaborate the idea that in moral climate intervention the same models can be used as in individual moral intervention. Despite the fact that moral climate is an organizational attribute with objective properties, this attribute exists and changes through people's perceptions, evaluations, and activities, as structuration theory explains.

In the next section, we will consider what the exercises conducted in the present chapter signify for moral climate theory.

4.5 Implications for moral climate theory

In this section, the outcomes of the exploration of conceptual backgrounds in chapters 3 and 4 are determined. For now, we can try to determine in terms that are more precise what we are looking for when investigating, evaluating, and attempting to influence moral climate. The conclusions are arranged around the five main issues of the present study: conceptual, typological, empirical, evaluative, and interventional issues.

- *Moral climate concept*

The whole idea about moral climate builds on the thought that the social context affects both moral reasoning competence and performance. The social context, of which "moral atmosphere" (in Kohlberg's terms) or moral climate (in our terms) is an important element, is a crucial factor with regard to development, consolidation, or regression of moral reasoning. The social context is also important factor to explain differences between a person's moral competence and that person's moral performance.

As in climate and culture concepts, moral climate can be considered as a complicated and layered concept (leading to stronger or weaker moral climate profiles), including artifacts and structuration processes (interaction among organizational members identified by discourse/conversation analysis, discussed in chapter 6). Organizational artifacts can be considered as the outcome of moral decision-making and include organizational structure, working conditions such as assembly lines, (lack of) career patterns, structures of responsibilities and qualifications, payment structures. These artifacts can be seen as both the manifestation and

the effectuation of a particular moral climate type, and may or may not fit this moral climate type over time (in terms of a consistent moral climate configuration). Through interaction about (ongoing) organizational events, moral climate is formed, consolidated, and changed. On their turn, social situations, artifacts, and the layers of structuration (including system patterns, practical structures, background structures, and collective attitudes), may stimulate, fix, or deteriorating employees' moral reasoning.
In sum, moral climate entails more than just the dominant style of moral reasoning. In a moral climate configuration, both the antecedents and outcomes of moral climate are considered as moral climate in a broader sense in order to create a conceptual frame with explanatory power (as will be described in chapter 6 in more detail). In chapter 5 and 6 we will examine connectivities, theories and models that describe elements, antecedents, outcomes, mediators and moderators of moral climate (from extant moral climate research and by own choice, in order to substantiate the moral climate concept and its diversity of moral climate types, profiles, and configurations.

Concerning the ontology of moral climate, we are looking for neither collective moral competence nor collective moral performance. Instead, we are looking for a third category: dominant strategies of moral reasoning in an organization or its formal and informal subsystems that serve as collective expectations concerning moral thinking and action ("the way we think about and do things around from *our* moral perspective"). When these generalized collective expectations are observed, they become collective moral performance and assume the presence of the corresponding moral competence. In these formulations, we should keep in mind that moral climate is an organizational concept, whereas competence and performance cannot but refer to people. Competences and performance of organizations are realized through the aggregated actions of people. The actual moral climate of the organization or its formal or informal subsystems can be evaluated as either appropriate or inappropriate (in both cases determined by using evaluative criteria). When the extant moral climate is evaluated as inappropriate, it should be replaced by or developed into a moral climate that is more appropriate. In this sense, we can speak about the actual and the desired moral climate. The intricate problems concerning moral climate evaluation are discussed below.
Despite serious points of criticism, Kohlberg's theory of individual cognitive moral development can be used as a solid base for moral climate theory, albeit in an adapted version, as will be described below when we consider moral climate typology.

- *Moral climate typology*

A Kohlberg based moral climate typology should consider those types of moral reasoning that are not the possible but the actual combinations of moral horizon and the ethical dimension. As we have seen in chapters 3 and 4, building a typology consists of three steps: *substruction* (honoring the complete range of logical possibilities), *reduction* (eliminating those elements that are self-contradictory or combining those elements occurring with low frequency into one type), and *connecting* these elements according to some underlying principle (for instance, a hierarchical, a genealogical, or developmental order). Starting with the last step (connecting), Kohlberg's theory offers a perfect developmental framework for moral climate types. The real issue concerns the

second step - reduction - , to decide which types are included, excluded, and combined. From a substruction perspective, a complicated typology can be constructed, as we have seen before and recapitulate below. Before reduction, the model consists of no less than 15*4=60 moral climate types, a fairly good cause for advanced reduction. Reduction can take place by excluding and combination, from a developmental perspective derived from Kohlberg's theory of individual cognitive moral development, more in particular by applying its stage sequence as an organizing principle. Furthermore, logical impossibilities are indicated with X.

Stage	ethical dimension → moral horizon ↓	axiological ethics	virtue ethics	deontological ethics	teleological ethics
1	individual	X	X	X	
2	dyad	X	X	X	
3	formal group/team				
3	informal group or clique				
3	unit/department				
3/4	organization / concern				
3/4 ?	neighborhood				
4	local community				
4	industry/production-distribution chains				
4	consumer groups				
4-5?	professional associations				
4-5?	society at large				
5/6	supranational organizations				
5/6	global community				
6/7	future generations of mankind				

An important means of reduction is determining empirically, which moral climate types, profiles, and configurations exist in the real world. Since this is a rather complicated matter – chapter 5 shows attempts to determine which climate types exist – we prefer to construct a model first, that can eventually be simplified and refined. The fact is – as will be demonstrated in the reviews summarized in chapter 5 (of which the complete versions are included in the CD that accompanies the present texts) – that these attempts, notably those of Victor and Cullen and their many followers, suffer from inadequate conceptualization of moral climate. Therefore, at this point, a reasoned model is presented first, to let empiricism decide afterwards.

The shades in the scheme above represent clearly distinct modes of moral reasoning, based on the idea as stages as structured wholes. The reduction process leads to the following, reasoned outcomes.

A. The Stage 1 and Stage 2 argumentations - with their limited moral horizon - have a teleological moral orientation in common, based on a pragmatic argumentation, that is, in terms of consequences, either advantages (pros) or disadvantages (cons). Of course, there may some egoistic values and non-moral (instrumental) virtues active. Especially in Stage 2, elementary rules of exchange may be recognized, but no internal moral relation with those rules may be expected since these rules will be referred to only as it works out.

B. The Stage 3, 3/4, and 4 ethical dimensions have the same shade because they have the possibility of branching in common. This means, that on the conventional level (which gradually turns out to be an inconvenient label covering only a part of the moral argumentation structures), apart from deontological conventions such as rules, other moral perspectives may be prevalent. Therefore, it can be useful to mark these moral climate types with an extra indication of their specific ethical dimension: A for axiological ethics, V for virtue ethics, D for deontological ethics, and T for teleological ethics (for instance, Stage 3D, Stage 3/4 T, Stage 4 V, et cetera). Omitting these specifications could imply that the moral horizon dimension is more determining the moral climate than the ethical dimension does.
Considering the Stage 3 moral horizon, a first distinction can be made between formal and informal groups: Stage 3 F and Stage 3 I. Furthermore, probably no sharp distinctions can be drawn between team level, unit level, and department level. A formal group of, for instance, ten people, can be a team, a unit, or a level, depending on its place in the formal hierarchy. In fact, this distinction is only relevant within a larger organization. However, here too, specifications can be marked with an additional sign, for instance Stage 3 FT for team, Stage 3FU for unit, and Stage 3FD for department, when it is desirable for better understanding.
No specific problem exists with regard to informal groups or cliques. The moral horizon of cliques can also be marked with a specific designation, as I would like to propose, borrowed from Dalton's classification of cliques: Stage 3IVS (vertical symbiotic cliques), Stage 3IVP (vertical parasitic cliques), Stage 3IHD (horizontal defensive cliques), Stage 3IHA (horizontal aggressive cliques) and Stage 3IRA (random cliques). Research should point whether these moral climate types really exist and/or whether the specifications do matter for proper understanding of moral climate in organizations or its formal and informal subsystems.
The organizational level is labeled stage 3/4 because of its position in between the group level and the societal level. The organizational moral horizon can refer to both a single firm and a larger concern. In the latter cases, internal differentiations are possible, and can be indicated by mentioning the names of the organizations that make up the larger organization or concern.
A special problem is the moral horizon referring to the neighborhood. Because of its intermediate level between group and society, this level of moral horizon may be labeled as Stage 3/4, just as the organizational level. However, the empirical question is whether the neighborhood as moral horizon can be properly identified. The moral horizon of the neighborhood may only be of interest, when the neighborhood itself has a strong identity with moral implications, such as a specific working-class area or an area consisting of office staff bringing with them their special moral contents and/or moral judgment structures. Because of this indeterminacy, I would suggest to exclude this category out of the typology.

C. Unproblematic is the local community as a typical Stage 4 orientation, despite apparent differences between local communities as such. I would suggest neglecting these differences, because they are hard to operationalize and to measure, just as are regional differences. Of course, there - within the Dutch situation - differences between, for instance, Arnhem en

Nijmegen, Hengelo and Enschede, and Schiedam and Vlaardingen, to mention only a few adjacent pairs of towns. And of course, there are differences – again within the Dutch situation – between the Achterhoek and the Randstad, or between Limburg and Friesland, to mention two pairs of rather different Dutch regions. However, these differences are hard to capture, and probably of little moral significance, hence neglect of local differences and exclusion of regional differences (the latter because of the minor legislative power of regions, too).

Because of its complicated nature, the other aspects of Stage 4 moral horizon cause special problems, because of national culture, type of legality, type of capitalism, and specific position on the liberalism-communitarianism continuum. In case of comparisons of moral climate across nations, it is extremely important to consider these possible differences, in order to avoid misunderstandings or unjustified conclusions.

I would suggest excluding the moral orientation on branch of industry or production-distribution chains from the typology. It may be assumed that due to isomorphism, there will probably exist no great differences between organizations that are part of a same branch of industry, assumed that these organizations operate on the same markets under approximately the same legal, economic, and other conditions. Despite chain management, the real influence of chain partners on each other will be small and indeterminate as well. Therefore, I suggest excluding the production distribution chain level from the typology and examine the companies that make up the chain on their own level of moral reference.

Consumer groups may form an important reference group for moral judgment. After all, consumers are the people products are made for and services delivered to. However, for the most part, consumer groups are a social group that is hard to identify. They are identifiable as consumers', patients', or clients' associations, but in this quality, they mostly will appeal to legislation, the common good, societal values, or civic virtues, and precisely these categories constitute Stage 4 moral reasoning. Therefore, I propose considering consumer groups redundant as a separate moral referent and integrating them in the regular Stage 4 moral referent.

D. Professional associations and society at large are two doubtful cases as referents for moral reasoning. Both referents can be both conventional (in terms of the four forms of moral positions taking outlined before) or post-conventional (as we have discussed before). The distinguishing feature it the possibility for post-conventional moral reasoning, in terms of a integrative social contract ethics in which the four forms of moral position taken are combined. In other words, it depends on the nature of the morality of professional association whether they are conventional or post-conventional. Conventional professional morals assume governmental recognition and hence may have the power of law (as in medical professional codes consisting of fixed rules of conduct), whereas professional codes that consist mainly of general principles with a large domain of professional discretionary power may be post-conventional, for instance there are no fixed guidelines and moral discussions are made in collegial consultation. Therefore, to label professional morality as either Stage 4 or Stage 5 depends on the nature and the contents of the professional codes

constituting and propagating professional morality. However, since most professional codes consist of rules, I would propose labeling the morality of professional associations as Stage 4 and reserve the label Stage 5 to those situations in which people base their moral reasoning on general principles in a post-conventional manner.
Concerning society at large as a moral referent, societal laws and regulations (including collective labor agreements and covenants based on cooperative legality) determine this referent as Stage 4. However, as we have seen, there are certain types of legality, notably forum legality, that come close to post-conventional social contract ethics. Based on these considerations, I would suggest to label moral reasoning that has society at large (and its values, rules, virtues, and interests) to label Stage 4, and reserve the label Stage 5 to those situations in which people base their moral reasoning on general principles as in contract ethics.

E. A strong position claims that the categories of Stage 6 post-conventional moral climate type and Stage 7 spiritual moral climate type have a big chance to remain empirically empty. When up and down the world only few people with a Stage 6 moral competence can be identified, finding a Stage 6 moral climate will be futile. Nevertheless, as we see in chapter 6, there are situations in which a Stage 6 principled moral climate indeed exists. When considering moral reasoning, supranational organizations may have tasks and assignments requiring a Stage 6 morality. Furthermore, anyone trying to universalize moral claims cannot but have global community as its moral horizon, including future generations.
Concerning Stage 7 spiritual climate, we face the problem whether Stage 7 morality really is a moral stage at all. As we have seen earlier, it rather is a morality-transcending mode of introspective reflection with a cosmic orientation, focusing on a sense of unity of the mind with the whole of nature. Nevertheless, I would propose including a Stage 7 spiritual climate into the typology, not because it can be found as a pure moral climate type (not very likely), but because it can be part of a mixed (and therefore, weak), moral climate profile and either complicates or enriches moral decision-making processes.

These explanations can now be completed with the discussion of two issues: stage-consistency and stage transition and development.

- Concerning stage consistency, a finer breakdown by subjects can be made in order to further specify the moral climate. When a moral climate profile is found to be heterogeneous, the cause of these findings can be found in differences concerning subjects of moral discussion. For instance, concerning service and safety, learning and quality, gross differences may exist within organizations and across departments, units, and teams.
- Since we have adopted the framework of Kohlberg's theory of individual cognitive moral development, with it, we have also claim to have adopted some of its characteristics, in particular its developmental character. Because this theory is about the development of structures of moral reasoning, there is no reason why this developmental stage sequence will not apply to organizations (or its formal or informal subsystems). However, when moral climate development is at issue, interventionists must realize that moral climate stage

transition will be limited by the moral competence of the members of the system-in-change. After the three steps of substruction, reduction, and connection the following moral climate typology can be constructed and types labeled in Kohlbergian terminology as the connecting framework.

I. Pre-conventional level

Stage 1: Climate for punishment, characterized by a teleological (consequentialist) structure of moral argumentation, based on balancing pros and cons to avoid negative consequences and specific instrumental virtues (such as perseverance).

Stage 2: Exchange climate, characterized by a teleological (consequentialist) structure of moral argumentation (based on balancing pros and cons, necessarily more complex than in Stage 1, since interests of immediate others are taken into account within limits). Decision-making criteria may at will focus on utility and benefit, well-being, harm and happiness, pleasure and pain. There may be primitive deontological notion of justice (such as treat equal cases equally) that is used for one's own benefit ("s/he has more than I have and that's not fair") as well as specific moral and instrumental competences focused on advantageous exchange.

II. Conventional level

Stage 3: Inclusion climate can take many shapes, depending on a variety of contingencies concerning ethical criterion and moral horizon. Essential is the "members-only" feeling. Because of the possibility of branching, the ethical criterion of moral argumentation can be deontological (local rules-based), teleological (interests- and consequences-based, for instance concerning good relations within the group and approval-seeking), axiological (group values-based), or aretaic (group virtues-based, more in particular, being helpful and caring). It may be expected that the rules-based and the consequences-based argumentation structures will be found more frequently than argumentations based on the other two ethical criteria, though the virtue of care is likely to occur as ethical decision criterion.

Concerning Stage 3 of the conventional level, the type of moral horizon varies with the size and kind of the group. A distinction was proposed between formal and informal referents ("trees" and "grapevines"), and between team, unit, and department as moral horizon. Because of the many possible moral (sub) climates on the conventional level, a detailed coding is proposed (to be used according to the research objectives), as in the scheme below:

ethical criterion → **moral horizon ↓**	**deontological**	**teleological**	**axiological**	**virtues**
formal groups				
team	Stage 3 FTD	Stage 3 FTT	Stage 3 FTA	Stage 3 FTV
unit	Stage 3 FUD	Stage 3 FUT	Stage 3 FUA	Stage 3 FUV
department	Stage 3 FDD	Stage 3 FDT	Stage 3 FDA	Stage 3 FDV

informal cliques				
vertical symbiotic	Stage 3 IVSD	Stage 3 IVST	Stage 3 IVSA	Stage 3 IVSV
vertical parasitic	Stage 3 IVPD	Stage 3 IVPT	Stage 3 IVPA	Stage 3 IVPV
horizontal defensive	Stage 3 IHDD	Stage 3 IHDT	Stage 3 IHDA	Stage 3 IHDV
horizontal aggressive	Stage 3 IHAD	Stage 3 IHAT	Stage 3 IHAA	Stage 3 IHAV
random	Stage 3 IRAD	Stage 3 IRAT	Stage 3 IRAA	Stage 3 IRAV

This comprehensive distinction in no less than 32 moral (sub) climate types seems somewhat overdone, and perhaps it is. However, a possible research question can to be comparing the moral climate of formal groups to the moral climate of informal groups. Depending on the research objectives, one can decide to omit the search for one or more types or combine them. For instance, the entire collection of informal cliques can be left out when it is considered on less importance, and the formal groups can be taken together as the group level with an adapted coding (Stage 3D, Stage 3T, Stage 3A, and Stage 3V).

Stage 3/4: Company climate is - because of the possibility of branching - characterized by an orientation on the values, virtues, rules, and interests of the entire organization. The ethical criterion of moral argumentation can be deontological (organizational rules-based, for instance in a corporate code of behavior), teleological (based on the interests and consequences regarding the organization), axiological (organization values-based), or aretaic (organizational virtues-based such as loyalty, respect).

As in Stage 3 moral climates, it may be expected that the rules-based and the consequences-based argumentation structures will be found more frequently than argumentations based on the other two ethical criteria, though the virtue of loyalty is likely to occur as ethical decision criterion. Specifications can be indicated as Stage 3/4 D, Stage 3/4 T, Stage 3/4 A, and Stage 3/4 V.

Stage 4: Community climate is characterized by an orientation on the societal system, either its social values, its citizenship virtues, its rules (laws, collective labor agreements, professional codes, and otherwise), or its interests and consequences (wealth, social cohesion). As in Stage 3 and Stage 3/4 moral climates, rules-based and consequences-based argumentation structures will be found more frequently than argumentations based on the other two ethical criteria, though the social values decision criterion is likely to occur. Specifications can be indicated as Stage 3/4 D, Stage 3/4 T, Stage 3/4 A, and Stage 3/4 V.

III. Post-conventional level

Stadium 5: Social contract climate is characterized by an integrated principled and rule-utilitarian structure of moral argumentation, in which all four strategies of moral justification (orientation on values, rules, virtues, and consequences) merge aiming at criticizing old rules and conventions and formulate new rules and conventions of higher justice quality than before.

Stage 6: Universalistic climate is characterized by an orientation on universal moral principles. As in Stage 5, a Stage 6 moral climate there is a deontological structure of argumentation, in which consequentialist considerations are incorporated, namely the consequences for all those involved actually and potentially. Thus, Stage 6 can be considered as a special case of Stage 5, different only in its focus on "all" involved and its universal pretences.

Stage 7: Spiritual climate is characterized by a cosmic orientation on spirituality. There is no specific structure of moral argumentation to be detected. In fact, this climate breathes a post-post-conventional morality transcending orientation in which not so much justice is an essential notion, but doing well for its own sake and spirituality are, understood as thinking and acting based on a sense of unity, vision, compassion, and honesty in a post-moral manner.

Which of these climate types will be included into a research instrument, and how that is going to happen, is a theme deserving further consideration in the next subsection.

- *Moral climate research*

As in much research, in moral climate research, an essential tension exists between scientific rigor and practical use. This tension possibly can be regulated by answering the questions concerning contingencies in terms of *why* (purpose), *what* (object), *how* (method) of moral climate research, and *by whom* (researchers and their competences).

Why?

Several research purposes can be distinguished. These may vary from pure theoretical aims (theoretical-analyzing research, such as conceptual analysis or foundational research, as in the present study), pure scientific aims (validating the moral climate concept and the moral climate typology), comparative aims (cross-organizational, cross-industry, or cross-national), hermeneutic aims (understanding an organization's character), and practical aims (increasing the effectiveness of an organization or improving its performance).

Because of its early stage of development, moral climate theory could benefit from conceptual and foundational analysis) and from pure scientific research as is demonstrated through the achievements of the present study. However, because of insuperable difficulties in getting access to organizations, pure scientific research is not likely to be booming. At best, validating may occur as a by-product (as many of the moral climate surveys summarized in chapter 5 show). Only in case of comparative research, a validated research instrument (a *Moral Climate Questionnaire*) is indispensable in order to compare and generalize. One of the problems of moral climate research is that such a validated research instrument is not available yet (given the apparent deficiencies of the pretentious *Ethical Climate Questionnaire* of Victor and Cullen, as will be discussed in chapter 5). Hermeneutic research (using case studies) suffers from the same problems of access, but need not have a pre-fixed research instrument (depending on the research tradition, though from the perspective of later generalization, this may be a desirable option). Practical research aiming at (evaluating) moral climate intervention will be most

common, and may be helped by a cheap and easy method yet delivering valid results.
From an Olympic perspective, the ideal sequence will be: think out concepts and typologies critically, validate crystallized moral concept and typology with scientific rigor, carry out comparative research across organizations, industries, and countries, conduct case studies, and use the accumulated insights to develop a simple instrument for practical research. However, since is not the actual practice, we will have to make the shift with what we do not have.

What?
As we have seen in chapter 2, moral climate research designs make take a variety of forms, depending on the variables we would like to measure. I recall that moral climate can be a dependent variable, an independent variable, and a moderating or a mediating variable.
In any case, some measure of the moral climate needs to be taken in order to determine the moral climate type or profile. In any case, we what to know which reasons count as good (sound, significant and acceptable) reasons concerning which moral issues, and which are not. However, as we have argued, determining only the moral climate type or profile is neither very informative nor explanatory. After all, what do we know when we have determined that organization X has a Stage 2 exchange climate? In order to describe and explain better, more variables can be included, depending on the research aim.
Mindful of structuration theory, interacting members of the organization are an important variable. Therefore, one could and should measure individual cognitive moral development, at will both moral competence and moral performance, in order to specify the differences between moral climate as a collective phenomenon and individual possibilities. I recall the importance of this measure because it probably sets limits to moral climate intervention (and in fact, any organizational intervention) to be effective.
Another relevant, moderating variable is leadership style that can be determined and related to the moral climate findings.
Structuration processes can also be determined by examining everyday communication about ongoing events. Especially in qualitative case studies, horizontal communication (among members of the same hierarchical level), vertical communication (between superiors and subordinates), and diagonal communication (between individuals and departments) can be examined with regard to moral argumentation (as is emphasized in chapter 6 when addressing discourse analysis and conversation as distinct though complementary research strategies).
As we have seen in chapter 3, a meaty dispute exists between the perceptions view and the objective feature view on climate. Though we have discarded the perceptions view as defective, this does not mean that perceptions do not matter. That is, researchers could ask respondents about their perceptions of the organization's moral climate and compare these findings with the more considerate of view on well-informed informants. However - to make things more complicated - in chapter 3 we have also considered another distinction, between *espoused* theory and *enacted* theory. This distinction can be read now as espoused morality versus enacted morality, the morality people claim to practice versus the morality they actually practice. One should reckon with that the perceptions approach measures espoused moral climate (as is probably the case in many moral climate surveys) and not so much enacted moral climate, if only because

enacted theories are not also used consciously and hence not always accessible to their users ("the obvious does not exist"). Moreover, it may be that respondents give evaluative instead of descriptive answers, but this type of bias can probably be overcome by offering clear questionnaire instructions (as for instance, Victor and Cullen do in their *Ethical Climate Questionnaire*).

Moral climate research can also include identifying the specific contents of other organizational concepts variables, including the environment, the strategy, the technology of producing goods or delivering services, the organizational structure and other artifacts (such as reward structure, communication structure, structure of responsibility and authority), aspects of culture (including artifacts, such as stories, rites, and habits), and HR-policies.

In particular, it is essential to determine the cognitive developmental moral level of tasks and assignments of organizations and their departments, units, teams, as can be found in, for instance, job descriptions and procedures. A proper moral climate diagnosis may consist of these elements, and determine whether they are or are not aligned or coherent. For instance, a department may have a Stage 2 moral climate, with Stage 3/4 tasks and assignments, whereas employees for the most part have a Stage 3 moral competence. Apparently, there is a misfit. This misfit is harder to overcome than when the employees would have demonstrated a Stage 3/4 moral competence. In the latter situation, one might ask, why a Stage 2 moral climate can exist. As such, consistent and inconsistent moral climate configurations can be identified.

How?

On several occasions in the present study, the term "triangulation" was used to indicate that a variety of methods need to be used to arrive at a detailed a correct description and explanation of moral climate. As we have seen, considering the "what", different aspects or moral climate can be identified. This means, that triangulation is not so much a magic word, but the only way in which informative moral climate research can be conducted, if constructed appropriately. Each part of the "what" has its own "how" (see also chapter 2, note 25).

- Moral climate as the central concept can be measured by the Moral Climate Questionnaire, of which a tailor-made version needs to be constructed according to the research interest and the research population. For instance, when the focus is on formal groups only, at least a 17-item questionnaire needs to be constructed consisting of one item for each expected moral climate type: one for Stage 1, one for Stage 2, four for Stage 3 (D, T, A, and V), four for stage 3/4 (D, T, A, V), four for Stage 4 (D, T, A, V), one for Stage 5, one for Stage 6, and one for Stage 7. Of course, more questions can be added, for instance to cover different moral issues[94]. When informal groups are included in the research design, the size of the MCQ will increase and its elaboration will be more complicate. The specialty of each version is determined by the themes that are addressed in each of the items and in the adaption to the language of the informants. This questionnaire can be presented to key informants, either in written form or in an oral interview. The advantage of interviewing is the possibility of asking for clearer and more determined answers. The MCQ can also presented to respondents (employees), with at least thirty respondents for each organization, if possible covering all departments and function groups, and with a thorough introduction to avoid the bias

occurring when people represent their espoused theories instead of the moral arguments enacted generally. In any case, it should be avoided "asking people more than they can know" (for instance information about moral climates of other departments, or about the entire organization, when they are not familiar with it).

- An alternative is participative observation and using the frame of the MCQ as the instrument to score responses in everyday discussions about (ongoing) events, in staff meetings, or on the shop floor. These responses ask for follow-up questions, and for cautious interpretation, since people do not always reveal their maximum competence and should not be pegged down to an accidental lower stage answer or accidentally dropped higher stages answers intended as a impressing behavior. Schulz von Thun (1981, 29, 211) warns for what he calls "functionality poisoning". When people realize that they are examined for the moral reasons they give, they can explicitly use "moral arguments" to impress and to score with. It could be interesting to examine the bromides and stopgaps people use in everyday conversation and reply with questions of clarification (as in the clarification model). Individual cognitive moral development can be measured by interviewing orally using a validated version of Kohlberg's methodology (both "should-questions" and "would-questions", both hypothetical and real-life dilemmas) (only when research conditions to not allow proper oral interviewing, written questionnaires can be completed, while its results are considered prudently).
- Concerning other dependent or moderating variables, current validated methods of measuring leadership style, unethical behavior, job satisfaction, commitment, turnover (intention), absenteeism, and effectiveness can be used, if possible completed with interviews.
- Document analysis can be an important way to gather information about strategy, structure, technology to make products or deliver services, HR-policies, and so one.
- Future moral climate research could include discourse, conversation, and narrative analysis.

Chapter 6 contains a vignette, in which is described in detail how moral climate research can be conducted.

A special issue to address concerns the possibility of bias because of the reactivity of being inquired. Of course, research is always reactive, the least of which document analysis. Being inquired may people set thinking, may raise all kinds of expectations, and may be used as tool of intervention (as Kohlberg himself in his classroom and prison experiments).

By whom?

The final issue to be addressed here concerns the research (team) itself. Every research is personal, to a certain degree, since every researcher has her or his own idiosyncrasies. However, this cannot be a license to do as they please. On the contrary, possible subjectivities can be detected and pushed back. Kohlberg-based moral climate research requires a more than superficial knowledge of Kohlberg's theory of individual cognitive moral development, its criticisms and objections to it, as well as methods to tap individual morality. Moral climate research asks also for knowledge of organizations and organizing, in both a general sense and industry-specific. Self-knowledge is also an important requirement for moral climate researchers, for instance regarding

- their own espoused and enacted theories of organizations and organizing, including the

preferred dominant image of organizations (Morgan, 1986);
- the competence of taking the perspective of the diverse groups of people and their position and interests within the organization
- attitude towards conflicts: a fear of and an aversion against conflict may hinder the researcher to adequately capture the conflicting elements that inherent to any organization (Devereux, 1967);
- own level of moral development: it can be suggested that moral climate research have reached the principled post-conventional stages of moral development (Stage 5) in order to avoid ignoring or misinterpreting the typical problems inherent to community and social contract climate types;
- ideological and political preferences: a lack of open-mindedness may hinder perception and interpretation or emphasize the wrong elements (the assumption that every organization should reflect the highest possible level of moral development may obscure pragmatic-contingency aspirations to enhance the performance of the organization; the reverse assumption, performance is the only legitimate goal, may obscure the perception of morally questionable practices).

- *Moral climate evaluation*

In business ethics as an applied ethics discipline, description, evaluation, and prescription often mingle, when describing what is the case, judging it as either right or wrong, and offering suggestions for improvement, all these in one elegant movement. The contribution of moral climate theory could be a prescriptive one, telling organizations which moral climate type they should have, hold, or abandon, or, less ambitious, clarifying misfits while pointing at inconveniences of actual situations and intended plans for moral climate intervention. In any case, moral climate theory (as a domain within business ethics theory), that is, moral climate theorists, researchers, and interventionists, cannot and should not neglect evaluative issues. They *cannot* neglect evaluative issues in a descriptive manner when people in organizations evaluate the moral climate of their organization (as anything on a scale ranging from excellent, fitting, and asking for further development to worrisome). In fact, any attempt to influence organizational morality – for instance, programs aiming at enhancing the integrity of organizational members, institutionalizing ethics into the organization to consolidate or develop moral climate – cannot but be based upon some evaluative stance, either explicit or implicit. Apparently, people have some criterion in mind according to which they make their judgments about the actual and preferred moral climate. Moral climate theorists, researchers, and interventionists *should* not neglect evaluative issues and stick to sheer description. This would be not so much out of well-meant missionary ambitions, but because they can be helpful to decision-makers in clarifying moral choices (as in the clarification model), pointing at consequences of choices (as in the scenarist model), or in discussing what is worth pursuing (as in the argumentation model). Contributions can also consist of transferring moral contents (as in the transference model), and even be conditioning when publishing reports of immoral practices. Here too, there apparently is some implicit or explicit criterion in operation according to which moral judgments about whether we should or should not be happy with the present moral climate.

This is not the place to solve to issue, but rather to represent it appropriately. The issue begins the question "Once we have identified such or so ethical climate type or profile, on what grounds can we decide whether we should be happy with it or conclude that a different moral climate type or profile is more preferable?" As can be concluded from the consideration presented in chapters 3 and 4, moral climate evaluation has to deal with a very intricate issue caused by the presence of multiple criteria for moral climate evaluation. Let us first consider possible sets of evaluative criteria for moral climate evaluation and subsequently explore the impact of tensions between these sets of criteria, while illustrating the issue with a vignette recorded from the grim workaday reality.

As we have seen afore, from a Kohlbergian perspective, moral climates can - despite ontological differences between individuals and organizations - be conceptualized analogous to the stages of individual moral development (because moral climate is defined as the prevailing structure of moral reasoning). Therefore, its evaluative criteria can be used without restriction: stage N+1 is morally and psychologically better that stage N, thus classifying organizations (of their formal or informal subsystems) as more or less moral. According to these criteria, intervention programs can be based and justified. Therefore, moral intervention programs should aim at the morally best practices that reflect Stage 5 or preferably Stage 6, or at least Stage 4, the societal perspective, in any case based on the notion "the more moral, the better".
We have also seen (in chapter 3), that both climate and culture theory very often have a functional slant. Moral climate should foster the organization's effectiveness (for the most part to be understood as economic and financial performance). From a contingency perspective, moral climates can be evaluated in terms of fit (coherence) with other aspects of the organizational configuration, including strategy concept, production concept, organization concept (structure, culture, and administrative policies and practices), and personnel concept[95]. Organizations need to be internally consistent to be externally contingent, that is, be viable and capable of surviving in competitive environments or fulfilling their societal asks and assignments properly, as is the case with non-profit, governmental organizations, and non-governmental organizations, each in their own respect[96].
In chapter 1, the criteria derived from these two perspectives of moral climate evaluation were labeled as respectively the *moral developmental* criterion (climate N +1 is morally better than climate N) and the *pragmatic contingency* criterion (the moral climate profile or configuration of an organization or its formal or informal subsystems should fit its tasks and assignments in order for the organization to perform well and to survive). The tension between these criteria can be described in terms of *moral excellence* versus *effective performance*, with little possibilities for win-win perspectives while challenging the license-to operate perspective (Graafland, 2002, 294-298).
Using these two criteria for moral climate evaluation may lead to divergent conclusions. Evaluation a particular moral climate according to criterion (1) may lead to common consent, while evaluation the same moral climate according to criterion (2) may lead to a precarious conclusion, and vice versa. From a developmental moral perspective, a particular moral climate is more or less developed morally, while from a contingency perspective, the same moral climate is more or less appropriate for organizational effectiveness and survival. Evaluative judgments of

moral climate according to these two criteria may or may not and need or need not coincide, while mismatch has its consequences, in terms of either loss of effectiveness or loss of legitimacy, as will be discussed below. Brady and Hart (2007, 409) point at the matter of mismatch while noting that in many organizations, for example a "maintaining norms" stage of resolution might fit better with the overall organizational climate than a more advanced "post-conventional" approach. As it seems, like most people, some (or most, HB) organizations are just not ready for advanced ethics, for instance, because this requires post-conventional managers, post-conventional staff, and even more demanding, post-conventional competitors, and perhaps, post-conventional citizen in a post-conventional society, too. Apparently, in many organizations, the use of the pragmatic-contingency criterion sets functional limits to the use of the moral developmental criterion, in order to avoid moral overload and organizational ineffectiveness. In doing so, performance and survival seem to be more important than preserving legitimacy, though loss of legitimacy may jeopardize survival as well, an issue we will resume later.

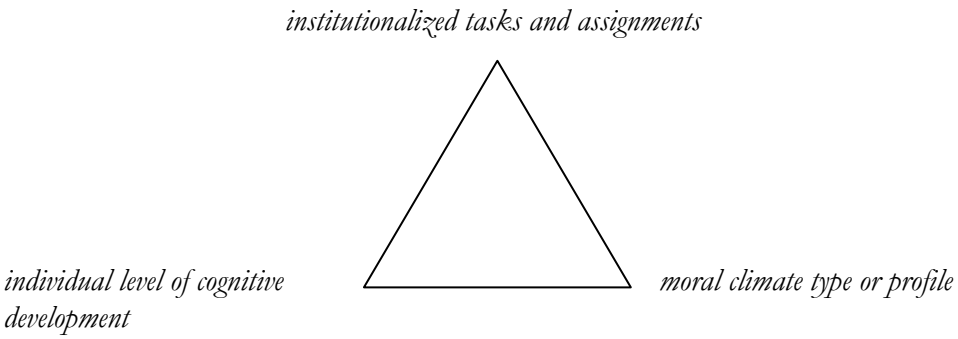
In order to clarify and eventually point at ways to solve the issue, we need a model built around a fixed point, an illustrating vignette, and a careful consideration of language used. To start with the last point, both perspectives have their own language. The moral developmental perspective simply uses the term "more moral" in its varying stage-specific ways and does not cause much trouble (apart from claiming that only a Stage 6 moral climate will be perfectly acceptable in the end, and hence perfectly demanding as well), whereas the pragmatic-contingency perspective uses terms such as "fit" and "matching" related to performance and survival. This means that, since these criteria are derived from entirely different, even incommensurable perspectives, using them simultaneously is not simply a matter of adding, subtracting, balancing, or determining mean scores but applying terms correctly.

It may be tempting to relate the two sets of criteria conceptually, that is, relating pragmatic contingency criteria (for instance, the criteria of organizational effectiveness discussed in chapter 3) to stage-specific moral developmental criteria. However, apparently this may be a dead-end alley, since stages are about structure of argument, and not about content of argument. Therefore, it is not the type of effectiveness that can be related to Kohlbergian stages but the type of argument given to emphasize the importance of that particular criterion of effectiveness. From this perspective, administrative effectiveness can be related to Stage 3/4 or Stage 4 (depending of the type of organization and its tasks and assignments), as can be economic and technological effectiveness. Societal effectiveness primarily points at Stage 4. Psychosocial effectiveness can be related to several stages of moral reasoning, depending on the reasons that are given to foster it:

- Stage 2, when the reason is to keep employees satisfied in exchange for effort and dedication;
- Stage 3, when the reason is care-driven;
- Stage 3/4, when the reason is the overall effectiveness of the organization;
- Stage 4, when the reason stems from complying with governmental regulations such those covering working conditions, and even
- Stage 5, when decisions concerning psychosocial effectiveness are grounded in moral principles.

There is no specific explicit morality inherent to any of these criteria for effectiveness, and hence,

there is no way to reduce the twin criteria for evaluating moral climates to one overarching or founding meta-criterion. When we conclude that organizational effectiveness for profit-organizations generally reflects a Stage 3/4 type of moral argumentation, we are probably right. However, in doing so, we also have introduced a new element, the type of organization and its tasks and assignments as the fixed point. Exactly this tasks-and-assignments element is the variable in our model to connect the troublesome twin criteria of moral climate evaluation conceptually and to detect possible misfits with more less painful consequences. As I see it, we have three elements that may or may not match, including tasks and assignments, moral climate type or profile, and level of individual cognitive moral development. This last element cannot be ignored, since moral climate exists and can be changed only through human activities (as structuration theory claims), more in particular through every conversation and other forms of communication (such as the construction of artifacts).



Before addressing possible external and internal misfits, we must explore the relationship between the three angles of the triangle, more in particularly the relationship between tasks and assignments and moral climate, to return to individual level of cognitive moral development later. This tasks-and-assignments element has its roots in institutional economics and simply states that every organization basically has its specific tasks and assignments, its reason d'être for being started and sustained, either self-chosen (profit organizations and non-governmental organizations) or evolving from societal choices (as in governmental organizations, health care, or educational organizations). These tasks and assignments are arranged into institutions with their own institutional logic (the way a particular social world works from their premises, Jackall, 1988, 112), and adorned with governmental and self-regulation. It may be the case, these organizational goals, tasks and assignments may change over time, as opinions of those involved may be subject to developing or declining insights (for instance, firms on their way to corporate social responsibility, health care organizations going to the market).

The claim defended here is each type of institution mentioned here – for-profit, not-for-profit, governmental, and non-governmental – requires a minimum level of morality to accomplish their tasks and assignments. When they operate below this level, loss of legitimacy may threaten to occur, whereas operating above this level may lead to issues of effectiveness. It is always advisable to avoid 'deadly combinations' in moral climate configurations. Below, we will explore this thought in terms of the types of effectiveness (performance) already discussed and in terms of types of legitimacy and legality (license to operate).

The issue at stake is, whether organizations must have a preferred type of morality to fulfill their functions in society. An important classification of types of morality according to the way in business organizations is dealt with interests is made by Van Luijk (1994). He distinguishes three basic structures in human action, which, when linked with the concepts of interests and legitimate claims or rights, lead to a taxonomy of other-including moral behavior in business, described as respectively transactional ethics, recognition ethics, and participatory ethics. These are three distinct realms of moral behavior, each characterized by a specific set of moral principles and a special relation between moral agents. These three types represent separate concepts of morality on the conceptual level that may be found empirically (for instance, "market morality" or "governmental morality"), which does not imply that they are legitimated morally in terms of some "Separatist Thesis" in business ethics[97].

In a similar vein, Jacobs (1993) distinguishes two types of what she labels 'moral syndromes', based on the division of two systems of survival in which humans make their living. The one syndrome, the 'commercial syndrome' has its principal home among peoples who trade or produce for trade. The linchpin of the commercial syndrome is *honesty* (trading systems do not work without trust). The other syndrome, the 'guardian syndrome' can be found in governmental ministries and bureaucracies, legislatures, the armed forces, the police, religious organizations, educational organizations. The bedrock of the guardian syndrome is *loyalty* (and hostility to trade, since loyalty is not for sale). Organizations who try to intermingle these syndromes - private schools or private hospitals - at first glance may appear to be just an anomaly, but may turn out to be 'monstrous hybrids' (for instance, police departments formulating as a main target giving a fixed amount of tickets on an annual base, or hospitals or universities treading on a area of competition). According to Jacobs, conceptually, these syndromes show very divergent features.

commercial moral syndrome	guardian moral syndrome
shun force	shun trading
come to voluntary agreements	exert prowess
be honest	be obedient and disciplined
collaborate easily with strangers and aliens	adhere to tradition
compete	respect hierarchy
respect contracts	be loyal
use initiative and enterprise	take vengeance
be open to inventiveness and novelty	deceive for the sake of the task
be efficient	make rich use of leisure
promote comfort and convenience	be ostentatious
dissent for the sake of the task	dispense largesse
invest for productive purposes	be exclusive
be industrious	show fortitude
be thrifty	be fatalistic
be optimistic	treasure honor

Considering the ontological status of these two syndromes: since they clearly are not empirical syndromes, they probably are meant to be conceptual with normative overtones (with a clear message: let the cobbler stick to his last by avoiding confusing the syndromes). However, from the conceptual, empirical, and normative point of view, some remarks can be made, as the situation seems to be more complicated. Conceptually, Kohlbergian theory - that Jacobs seemed

to be unaware of - permits more types of moral syndromes to exist. Her dichotomy points at only two stages of moral reasoning, Stage 3/4 (commercial moral syndrome) and Stage 4 (guardian moral syndrome), thus ignoring both pre-conventional and post-conventional morality. From a broadened conceptual frame of reference, more moral syndromes types are likely to be found empirically, for instance in not-for-profit and in non-governmental organizations.

When stages are connected to institutionalized fields in which organizations operate, a scheme can be constructed in which both the minimum required moral level of moral development (individual as well as moral climate) and a possible plus version are specified, as well levels of moral development below and above the levels required.

level of moral development →			minimal required stage	maximal required stage	below required stage	above required stage
institutional fields	type of legitimacy	main type of responsibility				
for-profit	*making profit*	*economic*	3/4	4	1-3	5-7
governmental	*exerting authority*	*legal*	4	5	1-3/4	6-7
not-for-profit	*realizing values*	*moral*	4	5	1-3/4	6-7
nongovernmental	*generous solidarity*	*discretionary*	5	6	1-4	7

Moral climate can support the tasks and assignments (minimal required stage) or advance developmental tasks (maximal required stage). Possible moral issues within an organization can be explained in terms of tension between minimal and maximal required stage concerning the accomplishment of tasks and assignments. A moral climate of stages below the required stage may imply possible loss of legitimacy, whereas a moral climate of stage above the required stage may imply loss of effectiveness (in terms of performance).

Before addressing the implications of these stage indications in terms of match and mismatch (deadly combinations), a brief explanation is given of the terms type of legitimacy and type of responsibility, since these categories are not stage-independent.
An element in the evaluative issue concerns loss of legitimacy for carrying out organizational activities. When the actual level of moral development expressed in the moral climate of the organization is too low in relation to the required level of moral development to accomplish the tasks and assignments, loss of legitimacy may occur, and eventually, the license to operate can be withdrawn, in bad cases followed by sanctions of all kind. The question is, whether this loss of legitimacy has the same function and impact in each of the four institutional fields we have distinguished: for-profit organizations, not-for profit organizations, governmental organizations, and non-governmental organizations. The assumption is that because of its multifaceted character, legitimacy will operate differently in different contexts, while how it works may depend on the nature of the problems for which it is the purported solution (Suchman, 1995, 573). In order to answer this question, we need a definition of legitimacy and a distinction in types of legitimacy. In a very general definition, Parsons (1960, 175) defined legitimacy as the "appraisal of action in terms of shared or common values in the context of the involvement of the action in

the social system". In this view, organizations are legitimate to the extent that their activities are congruent with the goals of the superordinate system. According to Suchman (1995, 574), legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions. The three elements of Suchman's definition deserve some explanation (1995, 574), while a fourth element needs to be added:

- Legitimacy is *generalized* in that it represents an umbrella evaluation that, to some extent, transcends specific adverse acts or occurrences (legitimacy is resilient to particular events, yet it is dependent on a history of events; an organization may occasionally depart from societal norms yet retain legitimacy because the departures are dismissed as unique or justified).
- Legitimacy is a *perception* or *assumption* in that it represents a reaction of observers to the organization as they see it. Legitimacy is possessed objectively and created subjectively (an organization may diverge dramatically from societal norms yet retain legitimacy because the divergence goes unnoticed).
- Legitimacy is *socially constructed* in that it reflects congruence between the behaviors of the legitimated entity and the shared (or assumedly shared) beliefs of some social group; thus, legitimacy is dependent on a collective audience, yet independent of particular observers.
- Legitimacy is a *constraint* on organizational action, yet a dynamic constraint, since values may shift in priority and goals may change (Dowling & Pfeffer, 1975, 126) (as can be noticed in the Netherlands where hospitals seem to become entitled to make profit, meaning a reinterpretation of the organization's core aim, or at least a complication of its core aim).

Legitimacy and loss of legitimacy always occur to one or more aspects of organizational functioning, for instance, its strategy (mode of competition and cooperation), the nature and quality of its output (products or services), its structure, processes and procedures (of producing goods, delivering services, advertising practices), behavior of staff and (top) management. During the financial crises, many banks were facing loss of legitimacy because of bad financial products and greedy behavior of staff chasing after bonuses in a culture supporting this kind of behavior. Regarding organizational legitimacy, two distinct traditions or approaches can be distinguished (Suchman, 1995, 572, 576-577). The *strategic* tradition adopts a managerial perspective and emphasizes the ways in which organizations instrumentally manipulate and deploy evocative symbols in order to get societal support, this considering legitimacy as an operational resource). In contrast, the *institutional* tradition adopts a more detached stance and emphasizes the ways in which sector-wide structuration dynamics generate cultural pressures that transcend any single organization's purposive control. Legitimacy is considered as a set of constitutive beliefs. Organizations do not simply extract legitimacy from the environment in a feat of cultural strip mining. Rather, external institutions construct and interpenetrate the organization in every respect. Cultural definitions determine how the organization is built, how it is run, and, simultaneously, how it is understood and evaluated. Rather than examining the strategic legitimization efforts of specific focal organizations, institutionalists tend to emphasize the collective structuration of entire fields or sectors of organizational life. Institutional organization theory provides a rich and complex many-faced view of organizations, explaining both organizational isomorphism and structural variance. DiMaggio and Powell (1983) examined

isomorphic institutional processes to account for the startling homogeneity or organizational forms and practices and explained this homogeneity as the outcome of three isomorphic mechanisms: *coercive* (complying with governmental rules), *mimetic* (mimic successful organizations to reduce uncertainty), and *normative* (complying with rules of professionalism fostered by schools and professional organizations). DiMaggio and Powell refer to Giddens' structuration theory in one of their hypotheses: the greater the extent of structuration, the greater the degree of isomorphism. However, structuration theory is far from being merely a deterministic theory. It refers to the conditions governing the reproduction or transformation of structures, based on situated social interaction, hence the central notion of the duality of structure and agency. The structural properties of social systems are both medium and outcome of the practices they recursively organize, and to be an agent is to be able to deploy (chronically in the flow of daily life) a range of causal powers (as we will consider below when discussing moral climate intervention).

This institutional view on legitimacy is in line with the view defended in the present study that economic, societal, legislative, and cultural elements of the organization are fundamentally constitutive of moral climate. To continue this line of thought, in general, the four institutional fields can be described in terms of core notions and main responsibilities[98], which constitute their reason of existence:

(1) For-profit organizations: *making profit* through delivering products (including food, clothes, housing, electric and household appliances, fuel) and services (telecommunication, transport, banking, recreation) people really need (or at least, think they need) (*economic* responsibilities).
(2) Governmental organizations: *exerting authority* (administration, jurisdiction, upholding public order, security and protection) preferably based on democratic procedures and democratic control (*legal* responsibilities): administering the country by realizing the values and goals they are instituted for, maintaining the economic, social and moral conditions necessary to fulfill the primary task, and delivering contributions to social behavior and public morality in other institutions by demonstrating exemplary behavior (Den Hoed & Schuyt, 2004, 197).
(3) Not-for profit organizations: *realizing values* (health, knowledge, welfare) that are considered as common goods (public services such as health care, education, and social work) (*moral* responsibilities).
(4) Nongovernmental organizations as part of civil society – "the public space between individual citizens and the state in which their activities occur collectively and in an organized forms" (Stewart, 1997, 11) - base their actions on *generous solidarity* to realize cosmopolitan and humanitarian values and principles from a broader (ideological) social vision to compensate market or state failure (human rights, environment, food aid, medical care, foreign development, psychological support, animal rights) and *discretionary* responsibilities.

Because of its (concerted) actions, an organization can appear to be no longer desirable, proper, or appropriate when not taking the required responsibilities specified for each institutional field. Thus, legitimacy can be jeopardized and suffer from loss of credibility, trustworthiness, and meaningfulness, and eventually, from loss of continuity. Organizations losing their legitimacy are more vulnerable to claims of being self-serving, negligent, illegal, irrational, or even unnecessary,

depending on the type of institutional field (as in the banking world, mentioned afore).
A brief vignette is represented to illustrate the variety of positions and misfits (and deadly combinations) concerning the troublesome twin criteria of moral climate evaluation (taken and adapted from Van Beers, 2001, 149).

Vignette "Denton Police"

All Denton police officers had joined an integrity program aiming at developing both their moral competence and moral performance. This program included a thorough discussion of various moral issues, not only general notions such as acting upon both formal codes and dealing with informal codes of silence and 'noble cause decision-making'[99]. It also includes more specific issues such as the morale of fining on the spot in the case of traffic offences, 'street justice' (intimidating or even hitting suspects), or 'fluffing up the evidence'.

Giving someone a ticket on the spot may ask for some interpretation (according to the spirit of the law), for instance when the 'victim' of fining has a good reason for committing that particular offence.

One night, two traffic police officers (Frost and Thaw) were checking car drivers on alcohol abuse, on a large parking lot nearby Denton's entertainment centre. One elderly man - apparently quite drunk - handed the keys of the car to his wife - apparently sober - to drive them home. The woman did not manage to drive the car backwards out of the parking place properly. Therefore, her husband decided to help her, had himself seated at the wheel and drove backwards very carefully. At that moment, the two traffic police officers chose to give the man not a ticket, though he was committing a serious offence. It was clear to them that the man did not intend to drive all the way home, when he and his wife changed places again.

The following day, Frost and Thaw discussed this incident with their senior officer, Mrs. Mullet, hoping to hear they had made the correct decision. Instead, she gave them a hard rap over the knuckles for not having fined the offender. They were told that fines are a welcome source of revenues for governmental institutions. The truth even was that every traffic police officer was expected to give a fixed number of tickets on an annual base. In fact, the number of tickets given was an important element in a police officer's opportunities for promotion.

From a more remote point of view, the senior officer's position was not very comfortable either. She did understand the traffic police officers' motives very well. But she had also to deal with official policies concerning fining. And to be sure, the car driver was drunk when driving the car backwards out of the parking place. Obviously, programs of moral intervention are not always of the 'it does not hurry to try' kind.

- *Mismatches and their consequences for organizational and individuals*

When there is a match between organizational tasks and assignments and moral climate (external fit) and moral climate and level of individual cognitive moral development (internal fit), no problems seem to occur from a pragmatic contingency approach to moral climate evaluation. Yet, from a moral developmental criterion, moral climate can still be considered low, when Stage 5 is the preferred stage. However, it cannot be followed blindly as an impetus for moral development, since organizations do have more and perhaps (in their view) more important tasks than being as moral as possible. Therefore, since nobody can be held to do the impossible, Kohlbergian theory offers at least a useful and promising point of departure to understand Stage 2 exchange moral climate characterized by, for instance, backstairs arrangement practices as less preferable from a moral point of view than are companies manifesting themselves as corporate citizens while practicing a Stage 4 community climate.

Before addressing the intricate subject of too little and too much morality, there is the issue of the tension between minimum and maximum required moral climate. Apparently, in organizations a moral space may exist asking or permitting to do something more than strictly required, because the tasks and assignments offer this space, because the environment permits it without negative consequences, because of governmental and/or industry specific regulations (and in fact, the type of capitalism discussed above). A Stage 3/4 company climate fits for-profit organizations, but these organizations also can take the opportunity to develop beyond this stage while adopting a Stage 4 community climate. Governmental organizations can have either a Stage 4 community climate or a Stage 5 social contract, depending on their specific tasks and assignments (for instance, legislation). Not-for-profit organizations may should have at least a Stage 4 community climate (when complying with professional and societal rules), but can under certain circumstances exhibit a Stage 5 social contract climate. Non-governmental can either have a Stage 5 social contract climate or a Stage 6 universalistic climate, depending on their policies and targets. This duality in moral climate, or as I would propose to address it, the mixed moral climate profile, reflects the specific moral issues that particular organization is facing and may indicate when moral climate is too low or too high.

The possibility of too much morality when compared to tasks and assignments is a more puzzling one than too little morality. Low morality may well suit some types of organizations, while in other organizations actual morality is too low to match organizational strategy and organizational policies (for instance corporate citizenship, total quality management). In yet another type of organizations, the prevailing mode of moral reasoning may be too high when related to its specific tasks and assignments. Generally speaking, to be successful, an organization must have critical success factors (those belongings and characteristics leading to competitive advantage, including corporate image, financial position, long term contracts, patents, unique technology) that help that organization to be more or less successful in accomplishing its tasks and assignments. For some organizations, advanced moral development (expressed in a community climate) may be a critical success factor, while for other organizations this may be a burden, at least, from the perspective of economic effectiveness.

Too little morality can lead to lack of trust and loss of legitimacy, and to all those moral and legal offences business ethics textbooks are full of (ranging from consumer misleading and bullying employees to causing environmental pollution and destabilizing entire communities). In case of too much morality when related to the tasks and assignments of the organization, ineffectiveness may lay waiting. Organizations attempting to realize hybrid tasks (the entrepreneurial city council, the green firm in absence of governmental backing) should consider the effects on the actual or required moral climate as part of their strategic decision-making.

What does this imply for each of the four institutional fields distinguished earlier as was briefly indicated in the scheme (presented again for convenience)?

level of moral development →			minimal required stage	maximal required stage	below required stage	above required stage
institutional fields	type of legitimacy	main type of responsibility				
for-profit	*making profit*	*economic*	3/4	4	1-3	5-7
governmental	*exerting authority*	*legal*	4	5	1-3/4	6-7
not-for-profit	*realizing values*	*moral*	4	5	1-3/4	6-7
nongovernmental	*generous solidarity*	*discretionary*	5	6	1-4	7

Concerning *for-profit* organizations, a moral climate is appropriate when it supports the realization of the tasks and assignments of the organization while making profit and taking economic responsibility. A factory aiming at making reasonable profit through making and selling their products and showing no signs of corporate social responsibility is better off with a Stage 3/4 company climate in which the interests of the organization are fostered and organizational rules upheld to the degree that they support the realization of the tasks and assignments of the organization. A factory that apart from making profit wants to be social responsible (an organization that any other organization should take as an example), will need a Stage 4 community climate to support the organizational strategy, but may be hazardous for making profit (depending on the type of competition and regulation in the specific type of industry). Firms with a moral climate below Stage 3/4 may have problems of coordination and control, lack of quality, loss of reputation, and eventually loss of legitimacy when they do not comply to minimal standards (for instance in managing human resources).

For *governmental* organizations, a Stage 4 community climate perfectly suits. As an example, the Denton Policy typically is a governmental organization with a task defined too simply as maintaining public order, based on exerting authority and legal responsibilities, while requiring a Stage 4 community moral climate. At first glance, this vignette dramatically shows the hazardous character of ill-considered moral development programs. The theme in the Denton Police vignette can be described in terms of high morality (Stage 5 principled morality) among some police officers that appeared to be too high with regard to their tasks and assignments - upholding both the law and public order - requiring no more (and no less!!) than Stage 4 conventional morality. As can be noticed, the organization's moral climate even reflects Stage 3/4 features. One might even wonder whether a social contract moral climate will ever fit a police organization, since in the end it requires police officers to be familiar with Stage 5 principled moral reasoning and subsequently acting upon it. This, perhaps, is too demanding, since many people do not develop unto post-conventional stages. Furthermore, the police may lose its effectiveness when every action is considered from the viewpoint of post-conventional morality. The interesting question, then, is what this implies for integrity training, with regard to both its purpose and its contents. To the other side of the moral spectrum, a police force with a Stage 3 inclusion moral climate may be inclined to pass the law, and protect and cover each other out of group morale, whereas a Stage 2 exchange climate may indicate sheer corruptness and bribery. The Denton Policy vignette dramatically shows the impact of leadership and the possible effects of the lack of ethical leadership, low morale among police officers.

As an example of *not-for-profit* organizations, an educational institution pursuing societal goals needs a Stage 4 community climate, but when it enters into fields of competition, probably a Stage 3/4 company climate will better suit one the one hand, though this may be antagonistic with regard to accomplishing societal tasks. A Stage 5 social contract climate may fit some of the tasks of educational organization but may hamper its effectiveness when post-conventional moral reasoning becomes all-pervading. Moral climate below requirement may be detrimental to the reputation of the school, because of the reproach of favoritism and apparent arbitrariness and unfair, preferential treatment.

Nongovernmental organizations in their wide variety in scope, profile, voice, and stakeholders (Amnesty International, Greenpeace, War Child, Médécins sans Frontiers, Human Rights Watch) exhibit a different picture (Atack, 1999; Lister, 2003; Ossewaarde, Nijhof & Heyse, 2008). Legitimacy can be at risk because of both internal organizational threats and external organizational threats. Moral climate below the required stage may cause loss of legitimacy, for instance when high wages of board members (with the suspicion of Stage 2 morality), lack of internal democracy and power struggle (idem), or Stage 3 convivial motives for joining NGO's instead of joining appealed by human values such as solidarity occur. When NGO's spend more time to their survival (fundraising) instead of doing good, or perform selectively only in those areas where TV cameras are present to gain media attention, while ignoring people in need in more remote areas (as in the 2004-2005 post-tsunami humanitarian intervention), apparently to satisfy sponsors (Stage 3/4), legitimacy and credibility may be at stake. This may also occur when help is imposed upon people, and participation, empowerment, or even consent is absent (Atack, 1999, 858, 861). Cooperation with national governments may promote effectiveness (Stage 4). At the same time, it may hamper legitimacy when NGOs become tied by state funding, governmental regulations, and covenants while losing their sovereignty, responsiveness, accountability, and discretionary responsibilities, at least, in the eyes of the funding public. NGOs have delineated goals based on human values (solidarity, empowerment) (Atack, 1999, 859-860, 861). Ineffectiveness may occur when Stage 6 universalistic motives (for instance, expressed in "scaling up") may cause shattering of activities, helping anybody anywhere anytime (Attack, 1999, 861).

- *Moral unhappiness of individuals*

Apart from locating the consequences of mismatch due to (refraining from) moral development on the organizational or department level, consequences can be located on the individual level. Point of departure is the idea that the organization's moral climate is an important aspect of the context for any employee's stage of moral reasoning. Every labor organization has a moral socialization function, whether one is aware of it or not. Any person staying in any organization is impacted by it, whether beneficially or maliciously. In this respect, Higgins and Gordon (1986, 293) refer to the "hidden curriculum" of the organization[100].
The individual's moral competence may match the organization's moral climate and the tasks and assignments of the organization, may fall short of it, or may be higher. Too much organizational morality compared to the individual's actual stage of moral development may cause moral

overload, whereas too little morality may cause moral unease. In either case, moral unhappiness occurs as a specification of a lack of psychosocial effectiveness of the organization. Let us consider the possibilities.

(1) Kuran (1988) describes moral overload as the state of having values that cannot (and perhaps should not, from a pragmatic-contingency perspective, HB) be satisfied within the prevailing organizational constraints. Moral development does not promise more happiness. Instead, according to Mason and Mudrack (1997), individuals capable of complex moral reasoning experience greater conflict than those reasoning at a less developed level. Moral overload may generate moral dissonance, defined as the psychological discomfort (for instance, feelings of shame or guilt) that accompanies the feeling that one's personal values remain unfulfilled. When N is the stage of moral development of an employee, social situations demanding no more than Stage N-1 or even Stage N-2 probably will arouse frustration and dissatisfaction (moral unhappiness), and eventually lead to fight, flight (self-selection by leaving the organization), higher absenteeism, lower commitment, compliance, conformation, or if possible, neglect the new order. In any case, the possibility of increased stress and eventual employee soul-destroying exists, as well as the risk of being excluded from the group. More in particular, people with a strong moral point may feel dissatisfied with regard to success in normatively loaded situations. Especially, "unhappy moralists" in Stage 3 of Kohlberg's typology emphasizing relational morality will not experience a "warm-glow-effect" despite seeing their decisions as right while lacking moral resilience and self-esteem. In line with a stage theory of moral development, the specific features "unhappy moralist" phenomenon will vary with each stage, in conventional stages also depending the strength of norms - it is "easier" to give priority to a hedonistic desire if the violation in question concerns a weak moral or legal norm – but will occur most frequently in the area of weak norms and less frequently in areas of strong norms since these evoke less moral conflict (Oser, Schmid & Hattersley, 2006).
Moral overload can be caused by several factors, diversity of social pressures (for instance in case of high and even diverse hopes when compared to moral competence), moral inertia (rigidity of values in the face of changing circumstances and conditions), cultural moral amnesia (collective forgetting of values through the separation of values and opportunistic preferences). Moral overload inevitably will lead to efforts to alleviate moral dissonance, for instance through redemption, casuistry, rationalization, compartmentalization, moral reconstruction, or through any other defense mechanisms identified by Sigmund Freud and elaborated theoretically by his daughter Anna Freud (1954). The Denton Police vignette demonstrates this kind of effects caused by ill-considered moral development programs. Another example concerns the organization crowded with professionals with great discretionary powers requiring post-conventional morality (Stage 5) faced with new a bureaucratic policy with strong regulations forcing those professionals to go strictly by the book (written, of course, by outsiders lacking professional insight). It is exactly this move that is made in may health care and educational organizations in Western Europe (at least in the Netherlands), leading to great professional sorrow, grief, and distress.
It should be emphasized here that moral overload differs from attributed moral failure that may

occur when people's moral capacities are overrated. For instance, when people are asked to judge and to act morally from the perspective of diverging forms of moral position taking (deontology, utilitarian ethics, virtue ethics, axiological ethics) as a daily routine, as in fact is inherent to post-conventional moral reasoning, one should not be surprised finding large quantities of moral underachievers; these people themselves probably do not experience any moral discomfort at all, 'protected' as they are by their lower stage morality.

(2) The reverse situation occurs when the stage of moral development of employees is lower than the level of moral functioning required to accomplish the tasks and assignments of the organization (or its department or unit). Social situations asking for Stage+2 moral reasoning, may evoke uncertainty because of moral demands being too high when compared to the actual stage of moral development. Higgins and Gordon (1986, 253-262) describe an example of the first type of situation (N+2). Democratization can confuse workers when they are confronted with it from one day to the next. Never being taken seriously, and then are, arouses all kinds of tensions. They do not know how to handle with the transition from an authoritarian style of management to a more democratic style. In a democratic climate, hidden contradictions and weaknesses may come to the surface and face workers with issues they never had to deal with before. The more negative the former moral climate, the more barriers democratization will put up for effective employee functioning in that organizations. That is not because of democratization itself, but because of the lack of advantageous circumstances.

The moral climate evaluation issue confronts us with the moral complexity of organizations. In fact, the situation is far more complicated than is described here. Even in a perfect fit between tasks and assignments, moral climate, and level of individual cognitive moral development (for instance all in Stage 3/4) from a moral developmental this can be evaluated as insufficient to address societal issues properly. In fact, for every stage, the consequences of misfits should be considered at both the individual and the organizational level, in terms of misfits between individual level of moral development and moral climate (internal misfit) and moral climate and tasks and assignments (external misfits). To make the situation even more complicated, a distinction can be made between actual moral climate and preferred moral climate (for instance, because of shift in tasks and assignment, either because of new role expectations from powerful stakeholders of because of new self-inflicted role conceptions). Instead of exploring every possible internal and external misfit in much detail, some possibilities are arranged into the scheme below, while in chapter 6 a vignette is presented as a real life example of these misfits. In the scheme below, the abbreviations read as follows: t+a = tasks and assignments, mc= moral climate, and icmd=individual cognitive moral development.

	actual t+a	preferred t+a	actual mc	preferred mc	actual stage of icmd	preferred stage of icmd
for-profit	3/4	4	2	4	3	4
governmental	4	4-5	4	4	3	4
not-for-profit	4	4	4	4	5	4
ngo	5	5	3/4	5	4	5

In the meantime, the tasks and assignments of the organization are the fixed point, despite the possibility of shifts. In most organizations, the moral developmental criterion cannot be met to the *maximum* level (Stage 5 or 6). Instead, there appears to an *optimum* for each institutional field dictated by the tasks and assignments. Therefore, it can be expected that for-profit organizations attempt to take care of their own viability, whereas governmental organizations are meant to govern the country, and not-for profit public services aim at delivering services based on moral values of justice and respect. On their turn, non-governmental organizations generally have set their goals in terms of realizing either some abstract value (humanity) or concrete altruistic goal (food aid). In the meantime, the message from Jacobs is clear: be careful with hybrid moral syndromes to prevent misfits and their accompanying undesirable practices. Does this mean that factories cannot be corporate social citizens with guardian-like functions because exactly these functions hinder economic effectiveness while asking too much morality? May hospitals and schools never be competitive, at the expense of moral legitimacy? Is it logically impossible for the police to show shades of post-conventional morality, or is there space for moral climate 'anomalies', or more complex moral climate profiles?

- *Moral climate intervention*

Moral climate may change unintentionally, because of organizational growth, a new strategy, changes in society (legislative, economic, cultural, et cetera), changes in the strategic top of the organization (new management with new ideas), organizational crises of all kinds (downsizing, reorganization, mergers and takeovers, redesign of business processes, or PR calamities including bad products or advertisement goofs) (Van Hoewijk, 1988, 37-38). Both because of these conditions and the ongoing everyday events, people learn implicitly about organizational morality. Every organization has its own "hidden curriculum" that teaches organizational members in an unreflective way, how to sense, think, judge, and act concerning the moral aspects of the ongoing everyday practice in the organization. In this sense, anything happening in an organization can assumed to have an impact on the organization's moral climate (consolidating, adapting, developing, or even regressing)

The moral climate of an organization or its formal or informal subsystems can also be changed deliberately, based on a presupposed plan of implementing moral climate interventions. However, when recalling the premises of institutional theory and structuration theory, the question is whether tendencies to isomorphism will limit the possibilities of moral climate intervention due to the duality of structure and agency. Moral climate theory and business ethics in general should take a better notion of institutional economy and sociology to get a more detailed account of the moral space (Busco, 2009; DiMaggio &Powell, 1983; Giddens, 1979; 1984; Granovetter, 1985; Ingram & Clay, 2000; Kim, 2009; Layder, 1987; Mouzelis, 1989; Nee, 1998; Nee & Ingram, 1998; Scott, 1987; Whittingdon, 1992; Zucker, 1987). Organizations should be considered while embedded (horizontally, vertically, or diagonally interdependent) in their context, because they are so constrained by ongoing social relations that to conceive them as independent is a grievous misunderstanding. Granovetter's embeddedness argument stresses the role of concrete personal relations and structures (or networks) of such relations in generating

trust and discouraging malfeasance and thus reducing transaction costs (institutional structures reduce transaction costs to the point were further reductions in are balanced by the costs of developing more complex institutional structures to reduce them, Friedman & Miles, 2002, 1-21). Institutionalism emphasizes the choice-within-constraints (social mechanisms connecting informal networks of social relationships and formal rules) as a key note for corporate governance, but badly needs the theory of the origin of preferences as for instance is conceptualized in Kohlbergian theory, in theories of corporate moral excellence emphasizing essential values and principles, and in stakeholder theory.

Institutionalism and structuration theory offer programmatic statements for the central issue of managerial agency and its moral components, but still no more than that. When searching for or enlarging moral space, empirical specification is needed to prevent hazards of (not) developing organizational morality. The level of analysis is the organization, as well as the way it is embedded in a branch of industry and other networks and is subject to governmental and other regulations. Especially to for-profit organizations (and to not-for-profit organizations going into the market), the *type of competition* is an important factor when it comes down to exploring possibilities of enlarging organizational moral space. In his valedictory lecture, Van Luijk (2000, 97-116) stresses the fact that in business ethics *competition* is a stubborn construct, especially because of its diverse relationships with morals: within-branch backstairs arrangements, unfair competition, free riders, government and self-regulation, worldwide standards for decent entrepreneurship, the blessings of the free market. Competition, understood as the pursuit of market share, market position of market power by being faster, better, cheaper or newer than your rivals. The intensity of competition is determined by a number of factors, including the number and variety of participants (concentration on the market), product differentiation, market accessibility for newcomers, readiness to cooperate, munificence (the extent to which the environment can sustain growth), market stability or dynamism, reputation and customer loyalty, uncertainty about competitors' strategies. Many players, easy access, unstable market situation, low reputation, and consumer loyalty, low product differentiation, lack of co-operation and high level of uncertainty make competition strong if not ruinous. In fact, competition is always gradual, ranging from weak to strong or even ruinous (as is the case under perfect market conditions).
These three imaginary competitive situations require diverging moral strategies in reaching a dual moral goal: not harming and fostering justified interests (compliance and aspirational issues).

situation / moral goal	ruinous competition	strong competition	weak competition
not harming justified interests	protection of reputation (risk management) legislation or self-regulation	legal compliance and courtesy stakeholder management and ethical reports	fostering governmental regulation of competition legal compliance and courtesy
fostering justified interests	legislation or self-regulation account-giving	ethical product-differentiation corporate citizenship	corporate citizenship

This picture (taken from Van de Ven & Jeurissen, 2000) shows the many faces of competition, caused by market differences, internal organization of markets and branches, and national differences (including type of capitalism, type of legality, et cetera). The invisible hand is influenced by the visible hand of public intervention, such as permanent regulations, public information by the government, general indirect interventions (changing interest rates and tax system), general coercive rules (risk liability) financial stimuli (charges and subsidy) and covenants. These factors make competitive force not only a matter of choice, but also of dealing with numerous regulations, compliant or not (while stressing again that countries differ in the relationship between state and society, more in particular in the proportion of governmental regulation and self-regulation).
However, it is not only the competitive strength that counts, but also its fairness, though this fairness may be dependent of possibilities the market offers to be fair indeed, that is, be compliant with legal and moral rules and foster integrity. At the same time, different forms of co-ordination and regulation occur, through public intervention, through self-regulation on organizational, branch or international level by developing soft laws like codes and covenants, or through external testing (public opinion, non-governmental organizations, political parties, unions, and media).
The complexity of competition and its assumptions rule out that competition forces count as the definitive moral excuse and offers possibilities to exchange the metaphor of the invisible hand for the metaphor of the willing handshake (Gilbert, 1986). Mindful of the concept of corporate citizenship, organizations have more responsibilities than making profit and complying with the law and other rules. Organizations have a signaling task in warning politics and the public for harmful situations that need giving of rules. Building trade organizations took the opposite stance by making backstairs arrangements and using deception strategies and worse. Nevertheless, they should and could have acted otherwise despite their factual moral climate.

From a distance, moral climate intervention does not seem to differ radically from "regular" organization development. However, from a closer stance, there are specifications. To develop an organization's moral climate moral issues can be identified through stakeholder analysis and their moral intensity determined. Type of competition needs to be specified and regulations and other contingencies such as industrial macro-cultures mapped (Abrahamson& Fombrun, 1994; Berger & Van den Boogaart, 1996; Gordon, 1991; Sminia, 1997; Spender, 1989). Industries exert influences that cause organizational culture to develop within defined parameters, such as basic industry driven assumptions about customers, competitors, and societal expectations. These parameters account for macro-cultural homogeneity when encouraging managers to interpret environments in similar ways, to identify similar issues as strategic, and so to adopt similar competitive positions based on a limited number of 'industrial recipes'. These parameters also account for collective strategic, structural, and cultural inertia and thus limit the potential for changing an individual company's moral climate. Crucial is the principle of displacement (DeGeorge, 1990, 25-33), the moral duty to lift an ethical issue to the appropriate level (for instance, industry) when it is too hazardous for an organization to solve the issue individually.

For instance, though ethical training aims at enhancing organizational morality, its effects may either be neutralized by other organizational features, or lead to levels of moral reasoning that are detrimental to organizational performance, either because morality is too low or too high, for instance because of too much sense of community when compared to rival organizations
Issue identification, competitive analysis, and choosing the appropriate intervention strategy are important points of action when developing the organization's moral climate.
As was argued in chapter 3, in order to be effective, interventions should be both climate-sensitive (choosing methods that reflect the frames of the patterns of the old moral climate) and climate-specific from a developmental perspective (approach people and structure social situations in such a manner that participants are invited or even stimulated to reach Stage N+1). Stage-specific means, that interventions are implemented based on both an accurate account of the present moral climate of the social system to be influenced and a valid idea about the moral stages of the people involved (as a limiting condition for change).
In line with the system-action debates in social sciences, choices need to be made concerning changing the system, changing the people, changing the system through changing the people, or changing the people through changing the system. In changing people in face-to-face interactions, the models outlined the previous section should be used stage-specific as indicated, aiming either at consolidation or development. When changing the system, the model outlined in chapter 3 can be used, in a variety of ways, preferably in the spirit of alignment:

- changing (aspects) of the *environment*, for instance, by selecting markets, is not a very obvious course of action, though(for instance) on the level of industry or production-distribution chains conditions can be altered to (for instance) decrease the shift of expenses of competition on to employees and hence pave the way to make the organization more moral;
- changing the *strategy* is not very obvious either, though a change in strategy toward integrity (Paine, 1994), corporate social responsibility and sustainability may have its effects on sustainable labor conditions and relations; furthermore, the organization can try to gain or regain its legitimacy by conforming to the environment, redefining means and ends, build reputation by confirming to ideals, communicating good intentions, demonstrating success, and adapting advertisement (Ashforth & Gibbs, 1990, 178-186; Suchman, 1995, 585-601);
- *production processes* and *managerial processes* may be (re)designed to promote the technical, economical, administrative, psycho-social, and socially effectiveness of the organization in a way that enhances moral climate development, while paying attention to labor conditions and the physical surroundings and the physical layout and design of the workplace, as well as by introducing quality assurance through standards and procedures;
- *organization* (structure, culture/climate, and administrative policies and practices) may be changed in order to affect moral climate, more in particular when workers' tasks and assignments are enriched substantially and their responsibility is increased accordingly; furthermore, communication procedures and processes can be improved, and culture adapted, for instance by promoting a climate for learning, by creating myths and anecdotes, introducing or changing codes, rules, rituals and symbols, and by paying

attention to content and structure of everyday communication; important is ethical leadership by setting good examples to staff (positive reference behavior);

- moral climate can be influenced by altering the concept of *personnel*, for instance by treating people just and respectfully and promoting a climate of trust (from debit to human capital, from puppets to people, from theory X to theory Y).

Considered from a HR perspective, the issue at stake is, whether staff is *competent*, *motivated*, and *committed* to support the preferred moral climate. These issues can be translated into a stage-specific Personnel Implication Matrix designed to support and facilitate moral climate change (for instance, from Stage 3 to 3/4), such, that the use of the instruments anticipates the preferred moral climate without puzzling the employees with steps too large to understand..

HR-issues / **HR-instruments**	**Stage 3/4 competence**	**Stage 3/4 motivation and commitment**
staff planning and allocation		
recruitment and selection		
introduction and socialization		
performance appraisal		
performance interview		
job description and job evaluation		
human resources development		
career planning/career development		
management development		
terms of employment		
supplying information /"oracle" function		
personnel care		
employee participation		
working conditions		
discharge and redundancy		
individual guidance and coaching		
mediation		
other		

Apart from these interventions, codes of conduct can be implemented and enforced and ethical committees installed. Regarding the formulation, introduction, and enforcement of codes, the intervention models outlined in the previous chapter can be used. The introduction of codes always implies a conventionalization of the organization, which has a quite different impact on organizations with a Stage 2 exchange climate when compared to organizations with a Stage 5 social contract climate. In the former case, a code probably cannot be framed by the employees and cannot but be imposed in them (according to the ideas of a transferring model). In the latter case, people may resent a code because it is experienced as a drawback, especially when they were not involved in frame the code (according to the ideas of the argumentation model).
In sum, codes of conduct will fulfill their functions at best in inclusion climates, company climates and community climates because of the guidance they offer. In 'lower' climates, they will

not work, but can be used as a tool to conventionalize the organization. In 'higher' climates, they are less expedient because of the post-conventional nature of these climates.
Ethical committees can be installed to influence the organization's moral climate. It should be noted that the contents of the issues presented to ethical committees as well as the tasks and functions of ethical committees may vary with each moral climate type. The extant literature on ethical codes and ethical committees gives only general suggestions regarding codes and committees, and no climate-specific devices have been found in the literature. A possible pathway to enhance the effectiveness of codes and committees is applying them moral climate sensitive and moral climate specific.

- Retrospect and preview

In this section, the results of the foundational analysis of both the "climate part" and the "moral part" of moral climate are translated into suggestions for an appropriate moral climate concept and accompanying typology, suggestions for moral climate research, an exploration of the intricate issue of moral climate evaluation, and finally, rough suggestions for moral climate intervention. In chapters 3 and 4, we have addressed a large number of the propositional claims formulated in chapter 1, more in particular:

Conceptual and typological issues:

PC1 Extant theories of organizational climate and organizational culture do not make moral climate theory redundant, yet lessons can be learned from these bodies of knowledge with regard to conceptual, methodological, and interventional issues.

PC2 Moral climate is an attribute of an organization (or its formal or informal subsystems).

PC3a For moral climate theory to be fruitful, both theory and research should cover all relevant modes of moral reasoning and apply them correctly.

PC3b Moral climate theory indicates the theoretical and practical consequences of possible neglect of forms of moral argumentation and/or incorrect use of ethical theory.

PC4 Stakeholder analysis needs to be a constitutive part of moral climate theory when considering the locus of reference in organizational moral decision-making.

PC5 The person-situation interaction in moral climate theory can best be described and explained while using structuration theory.

PC6 Apart from focusing on organizational moral climate, both organizational moral sub-climates (either formal or informal) and supra-cultures in their diversity (type of industry, profession, nation) should be a point of attention.

PC 7 Kohlberg's amended theory of individual cognitive moral development forms a solid base for a moral climate typology. Moral climate as an organizational attribute exhibits the stage modes of moral argumentation, as does Kohlberg's theory of individual cognitive moral development, though the level of cognitive moral development of individual members eventually limits the possibilities of moral climate development.

Concerning PC 3, many stakeholder groups are addressed in Stage 4 arguments as the general public or as relevant parties within the organization, making further specification redundant. Regarding PC6, the second part of the claim has been withdrawn temporary, more in particular because the moral of climate of types of industry or production-distribution chains. The

argument is, that due to isomorphism, there will probably exist no great differences between organizations that are part of a same branch of industry, assumed that these organizations operate on the same markets under approximately the same legal, economic, and other conditions. Despite chain management, the real influence of chain partners on each other will be small and indeterminate as well. I suggested excluding the industry level and the production-distribution chain level from the typology and examine on the companies making up the chain according to their own level of moral reference. Empirical research should decide whether these alleged supra-organizational moral climate types do indeed exist and represent a significant moral climate factor at all. Furthermore, the moral horizon of professional associations is considered as either a Stage 4 or a Stage 5 phenomenon.

Empirical issues:

PC8 Depending on the purposes of the research and the type of outcomes searched for, moral climate can be the dependent variable (explained by other variables), the independent variable (explaining and predicting other variables, including a variety of organizational outcomes), a mediating variable, or a moderating variable.

PC9 Point of departure in moral climate research should be the appropriate use of the principle of at least methodological triangulation (surveys, participant observation, and/or ethnography) to avoid unnecessary bias.

Evaluative issues:

PC10 Moral climate theory should explain the evaluative issue by formulating clear criteria of moral climate evaluation and by explaining the tension between the two (sets of) criteria (developmental moral and pragmatic) by pointing at the consequences of mismatch (either loss of effectiveness or loss of legitimacy).

Interventional issues:

PC11a Moral climate intervention should avoid a "one size fits all approach" and instead be climate specific and either match the actual moral climate for consolidation, or anticipate the future moral climate (type) from a developmental perspective.

PC11b Moral climate intervention should be directed at the structural level, the individual level and the interactional level, according to the contingencies of the moral climate and include a focus on leadership.

Development of moral climate theory

PC12 Over time, moral climate theory shows a developmental pattern with distinct stages.

By readdressing the propositional claims from chapter 1, the first track of the present study comes to a provisional end. In the next chapter, the second track is followed when representing the findings of the examination of about 300 contributions to moral climate theory (in chapter 5). The conclusions of both tracks are discussed in chapter 6 when focusing on moral climate theory development, elaborated into a moral climate configuration typology with thick stage descriptions, illustrated with a detailed real life vignette.

Chapter 5 Research findings

5.1 Introduction

This chapter presents the results of the second track in the present study, the foundational analysis of about three hundred contributions to moral climate theory, theoretical as well as empirical. Chapter 5 starts with a surface description of the research population in terms of type of text, year of publication, author background, and genealogy (5.2). This overview is, in fact, the list of characters, the dramatis personae appearing in the moral climate performance.
This overview consists of two parts, a 'demographic' part that includes scoring, and a 'genealogical' part that identifies tracks and patterns of reference. Furthermore, research characteristics are summarized, connectivities identified mindful of the rhizome-like nature of the moral climate concept, evaluative criteria examined, and interventional approaches listed. Subsequently, this chapter contains summary descriptions of the texts reviewed, arranged into seven sections, including (1) Kohlbergian moral atmosphere theory, (2) organizational moral development, (3) Snell's moral ethos theory, (4) the ethical climate model of Victor and Cullen and followers, (5) the cultural-climate approach of Treviño, associates, and followers, (6) alternative approaches to moral climate theory, and (7) tangential use of moral climate concepts (5.3). Findings are represented along the lines of the research question and claims formulated in chapter 1, notably in terms of conceptual, typological, empirical, evaluative, and interventional issues. Complete reviews of the contributions to moral climate can be found on the CD-ROM that accompanies the printed part of the present study, whereas summary descriptions of concepts and "demographic information (such as year, type, and medium of publication, and author background), genealogy, research characteristics, and evaluative and interventional issues can be found in the Appendices 1-4, respectively. From the perspective of foundational inquiry discussed in chapter 2, positions and their foundations are considered with regard to conceptual, typological, empirical, evaluative, and interventional issues (5.4). This chapter closes with a summary and a preview of the next chapters (5.5). Subsequently, chapter 6 explores the possibility of moral climate theory development. It also contains an outline of a preferred moral climate theory, illustrated with an elaborated example. In this outline the results from track 1 (theoretical analysis) and track 2 (foundational inquiry) are used in order to construct a moral climate theory meeting the criteria put forward in chapter 2, at least, better than other theories and models do.

5.2 Scoring and tracking: overview and classification of the 'research population'

This section present an overview of the research population, the texts included in the foundational inquiry of moral climate theory. In the first subsection, I will briefly consider criteria for the selection and exclusion of texts. The second subsection contains a - partly quantitative - surface overview of the texts included in the research in terms of selected characteristics, including year of publication, type of text, country of both research and publication, industry in

which research is carried out, and author background, as well some genealogy to identify trends and patterns of reference and development. Furthermore, the scoring and tracking parts contains an overview of how in texts deal with the five elements of the format: conceptual, typological, empirical, evaluative, and interventional issues.

5.2.1 Criteria for the selection of texts

When I started the examination in the early Nineties, the idea was to describe and review the - then - relatively small number (broadly speaking, about twenty) of available moral climate texts as detailed as possible. However, as it seems, the number of texts on moral climate theory expanded rapidly, if not exponentially up to almost three hundred, at closing time for reviewing (December 31, 2010).

Furthermore, in the review of moral climate theory, only published texts were, be it a monograph or dissertation, a (text) book chapter, a journal article, a research report, or a conference paper. Most of the contributions are articles in academic journals, with the *Journal of Business Ethics* as the absolute winner of the match (**86**). Of the dissertations on moral climate theory and research that came to our knowledge, some were not or only partly accessible or not published at all (notably Arnaud, 2006; Elm, 1989; Herndon, 1991; Hoover, 2007; Loe, 1996; McKenna, 1993; Mackin, 1984; O'Grady Harvey, 2001; Sagnak, 1999; Wingreen, 2003). Nevertheless, these publications were included in the list of primary texts when they were referred to in the genealogical part. One paper that was not available (Herndon, Ferrell, LeClaire & Ferrell, 1999) was yet mentioned because it was referred to by other authors.

Occasionally, when an author has published a summary article in a journal, based on his or her dissertation, and that article was reviewed, the dissertation was considered to be reviewed, too, assumed that that publication covers the contents of the dissertations (notably, Ampofo, Mujtaba, Cavico & Tindall, 2004/Ampofo, 2005; Arnaud, 2006/Arnaud & Schminke, 2006; Arnaud & Schminke, 2007; Ambrose, Arnaud & Schminke,2007, Hart, 2004/Hart, 2005; Maul 1979/Maul 1980; Olson, 1995d / Olson, 1998; Upchurch, 1993/Upchurch & Ruhland, 1995; Wimbush, 1991/Wimbush & Shepard, 1991; 1994). Furthermore, it was assumed that the contents of a small number of dissertations that were unavailable returned fruitfully in later publications, notably those of Power (1979), Reimer (1977), and Scharf (1973).

The Internet turned out to be a very informative resource for texts on moral climate theory. Still, verifiability remained an important criterion for selection. A difficult issue concerns the discussion of unpublished conference papers that were found on the Internet and hence, made publicly available, in a way. Their status may be somewhat obscure, since probably no academic forum, editorial board, or publisher has been able to scrutinize this type of contribution closely, except probably conference boards or committees. Some of these conference papers were included in this research nevertheless, because of their assumed qualities, while recognizing their status of work in progress. Incidentally, when a conference paper already discussed turned out to be published subsequently, both texts were considered as separate contributions (notably Duh &

Belak, 2009/Duh, Belak & Milfelner, 2010).
Excluded from the analysis were the hundreds of papers my students have written in their business ethics courses, as well as two research reports using a short version of the Moral Climate Questionnaire. Although these papers and reports confirm the usefulness of the moral climate approach advocated in this study, they lack scientific rigor to warrant stern conclusions.
A very important restriction was the language of publication. Only those contributions were included that were published in English, assuming that English is the lingua franca of the modern (scientific) world. By implication, important contributions that did not reach the international forum were left out of consideration, with the risk of overlooking relevant issues. However, browsing the Internet with Dutch, Swedish, Danish, Norwegian, German, French, Spanish, Italian, and Portuguese search terms was not very successful, apart from three Portuguese and two Dutch texts that were included in the review sample.

The scoring part should be considered with some reservation to avoid spurious accuracy and exactness. To start with, those publications using the moral climate (or similar) concept in a rather tangential and unreflective way, were included, but should have been excluded when more stringent criteria were used (for instance, Vitell & Davis, 1990, who only use the phrase "a more ethical climate"). The same applies to those contributions describing corporate moral development without using the term 'moral climate" (or similar terms) (Lavoie & Culbert, 1978; Petrick & Manning, 1990; Reidenbach & Robin, 1991; Petrick & Pullins, 1992; Petrick & Wagley, 1992; Sridhar & Camburn, 1993; Logsdon & Yuthas, 1997; Mirvis & Googins, 2006; Maon, Lindgreen & Swaen, 2010, arranged into a separate section).

Furthermore, when simply counting publications, one might ask what counts as one publication. For instance, both publications of Upchurch & Ruhland (1995; 1996), Snell & Tseng, (2001; 2002) and Rothwell and Baldwin (2006; 2007) were published in two different journals, but turned out to be two nearly identical versions of the same text. The 1990 article of Treviño was only slightly adapted included in *Managing Business Ethics. Straight Talk About How To Do It Right* (Treviño & Nelson, 1995; 2007), the 1998 article of Treviño, Butterfield, and McCabe was included as chapter 9 in *Managing Ethics in Business Organizations* (Treviño & Weaver, 2003), whereas the seminal contribution of Victor and Cullen (1987) was reprinted (Victor & Cullen, 1990). In other cases, authors conducted a survey leading to two separate publications, each of which dealing with aspects of that survey (for instance, Deshpande, 1996a; 1996b, and Peterson, 2002a; 2002b). In still other cases, authors published an article version of their dissertation, as was already mentioned.
Another issue with respect to scoring concerns those (groups of) authors of more than publication that nevertheless used the same concepts, in combination with different variables or in different contexts (for instance, Brugman and associates, Deshpande and associates, Schminke and associated, Schwepker and associates, Weeks and associates, Malloy and Agarwal and associates). In other words, only looking at the scores may be misleading, because the actual diversity may be not as wide as the scores may suggest.
Initially, the search terms were moral climate, moral culture, ethical climate, moral atmosphere. In

an advanced stage of the research process, other search terms were used, too, to broaden the scope, since the expectation to find fierce debates among moral climate contributors turned out to be futile. For instance, justice climate, climate for ethics, and climate for justice were search terms that brought new perspectives on the moral climate subject. Instead of applying a strict selection based on clearly formulated criteria, I chose to be as complete as possible, in order to identify as many options, debates and positions as possible. Methodologically weak studies were included, to create the largest possible database to foster comprehensiveness and representativeness, and, even more important, because weak studies have also have foundations to explore. Only irrelevant studies were excluded, that is, studies not focusing on areas and relations of interest (Hunter & Schmidt 2004, 469, 472). From this perspective, the definite restriction was the search term moral climate, ethical climate, and similar wordings. This may cause some form of bias in the selection of texts, since not all relevant publications have the search term in their title, at the risk of being overlooked (as almost happened with, for instance, the contributions of Maesschalck, 2004; 2005). Of course, not all texts could be included. Borderline cases are those publications elaborating "ethical work context", "ethical (or unethical) (work) environment", or "caring environment"(notably, Appelbaum, Soltero & Neville, 2005; Corley & Raines, 1993; Levine-Ariff & Groh, 1990; Pastoriza, Ariño & Ricart 2009; Soutar, McNeil & Molster, 1994; Valentine, Godkin & Lucero, 2002; McDaniel, 1998; Corley, Minick, Elswick & Jacobs, 2005; Morris, Schindehutte, Walton & Allen, 2002). All but the last three were excluded because, despite their promising titles, a closer look revealed that these texts did not cover the broad range of moral climate meanings or used the term ethical work context/environment in a very casual of even haphazard way, hence lacking clues for further examination. On their turn, the three texts that were included did point explicitly at moral climate. Also excluded were two text using the term culture in relation with moral (Feldman, 1998) or with procedural justice (Lind & Earley, 1992), mainly because they did not use any culture theory, or used the term only incidentally and accidentally while focusing on other targets (deconstruction).
Finally, those contributions discussing other climate types such as safety climate, climate for innovation, creativity, learning, spirituality, were excluded. A contribution using the term climate for wrongdoing was included because of its strong moral overtones (Near, Baucus & Michelli, 1993).

It should be kept in mind that the focus in the present study is on moral climate (and similar concepts) in labor organizations in a broad sense. No aggravation or restriction was made with regard to types of industries: texts dealing with moral climate in for-profit (of all kinds), not-for-profit (for instance, schools and hospitals), and governmental organizations (such as, the police) were included and examined. Although institutions and industries may show differences concerning the existing type of moral climate, all organizations share the presence of one moral climate type/profile, or another (just as any organization has a structure, at least, some structure, as can be expected).

From this perspective, a special note should be made with regard to publications using the

concept "moral atmosphere". One might object including these texts, because for the most part this concept considers the moral climate of inmates or students (in prisons, schools, and kibbutzim). Strictly speaking, these texts should not be included because they do not refer to labor relations, but to educational or treatment relations, or otherwise. To make the matter even complicated, there are also publications using the term "moral climate" in relation to inmates (young offenders) and students (Brugman, 1994; Brugman, Høst, Van Roosmalen & Tavecchio, 1994; Høst, Brugman, Tavecchio & Beem, 1998; Brugman, Heymans, Boom, Podolskij, Karabanova & Idobaeva, 2003; Schrader, 2004; Taylor & Walker, 1997). Nevertheless, there are two reasons to include these texts into the research population:

(1) many moral atmosphere publications also refer to the moral climate among personnel as they relate to inmates or students
(2) although developed in a slightly different context, the moral atmosphere concept as such is a very rich concept that can be used outside the institutions they were applied to initially.

Therefore, those publications are both included and treated separately (in section 1 on the CD-ROM). Of course, those publications applying the moral atmosphere concept to labor organizations are "legitimately" included (Higgins & Gordon, 1986; Lovell, 1995; Snell & Tseng, 2001; 2002).

In sum, the overview is rather frayed and most likely incomplete, though very likely covering the essential perspectives on moral climate theory. In order to discuss the research findings, I first make a surface analysis of the texts included (5.2.2), followed by a summary review of contributions to moral climate theory (5.3), outcomes of foundational analysis concerning positions and their foundations and justifications (5.4), and a summary of the chapter (5.5).

5.2.2 Conclusions of surface analysis: demographics

For convenience, in the surface analysis each text has been given a code consisting of the first letters of authors' names as well as the first two figures of the year of publication (for instance, PP92 for Petrick & Pullins, 1992). These codes (see next page for overview) are used only in schemes or in lengthy enumerations, for convenience. In the text, the authors' names are used instead of the codes. There is also a number indicating the classification into seven sections (corresponding with the classification of the texts on the CR-ROM, were the complete reviews can be found). Furthermore, in this description, a number of parameters are included, mainly for getting hold of quantitative aspects of moral climate contributions (that is, scoring "demographics").

1. The first parameter of the surface description is the *year of publication*, to indicate the absolute and relative incidence of contributions to moral climate theory (for instance, to conclude that both 1997 and 2008 were "a good year" for moral climate theory, at least quantitatively).

2. The second parameter is the *source of publication* (journal, chapter in book, monograph, conference paper, or dissertation, either published or unpublished). The purpose of this part of the description is to consider patterns of publication, and identify favorite journals when it comes down to moral climate theory (for instance, the *Journal of Business Ethics* as the main channel for moral climate research publications).

AC05	Acharya (2005)
AM99	Agarwal & Malloy (1999)
AAS07	Ambrose et al (2007)
AM05	***Ampofo (2005)
AMC04	Ampofo et al (2004)
AL08	Andreoli & Lefkowitz (2008)
ADL05	Appelbaum et al (2005)
AQ98	Aquino, K. (1998)
AMJ08	Ardichvili et al (2008)
AKS99	***Armstrong et al (1999)
AF08	Armstrong & Francis (2008)
AR06	*** Arnaud (2006)
AS06	Arnaud & Schminke (2006)
AS07	Arnaud & Schminke (2007)
AN00	Arruda de & Navran (2000)
BBR00	Babin, Boles & Robin (2000)
BO03	Bahcecik & Oztürk (2003)
BAN97	Banning (1997)
B502	Barnett & Schubert (2002)
BV00	Barnet. & Vaicys (2000)
BH98	Bartels et al (1998)
BAS09	Bassett, M. (2009)
BE03	Bell, S. E. (2003)
BB04	Beu & Buckley (2004)
BCF08	Bline et al (2008)
B599	Bourne & Snead (1999)
BDB96	Brief et al (1996)
BS00	Brower & Shrader (2000)
BT06	Brown. & Treviño (2006)
BR94	Brugman (1994)
BH94	Brugman et al (1994)
BHB03	Brugman et al (2003)
BU05	Buchan (2005)
BO08	Bulutlar & Öz (2008)
CM07	Caldwell & Moberg (2007)
CA93	Carroll (1993)
CSW97	Chen et al (1997)
CA99	***Cockerell et al (1999)
CH93	Cohen (1993)
CH95	Cohen (1995)
CH98	Cohen (1998)
CL98	Collier (1998)
CNJ02	Colquitt et al (2002)
CR06	Conine & Rowden (2006)
CM05	Corley et al (2005)
CPV03	Cullen et al (2001)
CVB93	Cullen et al (1993)
CVS89	Cullen et al (1989)
DCL97	DeConinck & Lewis (1997)
DFP97	Dempster et al (2001)
D96a	Deshpande (1996a)
D96b	Deshpande (1996b)
DGJ00	Deshpande et al (2000)
DJ08	Deshpande & Joseph (2008)
DJS10	Deshpande et al 2010)
D501	Dickson et al(2001)
DOR10	Dorasamy (2010)
D5K98	Dorsch et al (1998)
DD501	Douglas et al (2001)
DRU00	Drumm (2000)
DB09	Duh & Belak (2009)
DBM10	Duh et al (2010)
DU04	Dursun (2004)
EL02	Ede &Legosz (2002)
EH04	Ehrhart, (2004)
EA08	Elçi & Alpkan (2008)
EL89	***Elm (1989)
EN93	Elm et al (1993)
EDK02	Ells et al (2002)
EAT05	Engelbrecht et al (2005)
ENG08	English (2008)
EBW02	Erakovich et al (2002)
EG07	Erben & Güneşer (2008)
ESO04	Erondu et al (2004)
FED07	Federwisch (2007)
FJF07	Ferrell et al (2007)
FLF97	Ferrell et al (1997)
FIL09	Filipova (2009)
FM00	Flannary (2000)
FL85	Fleming (1985)
FO04a	Forte (2004a)
FO04b	Forte (2004b)
FRE00	Freire (2000)
FRI00	Fritzsche (2000)
GA91	Gaertner (1991)
GE06	Gebler (2006)
GT10	Goldman & Tabak (2010)
GHC08	Gonzalez-Padron et al (2008)
GR04	Grojean et al (2004)
GE05	Grover & Enz (2005)
HB07	Hamric & Blackhall (2007)
HA04	***Hart. (2004)
HA05	Hart (2005)
HE91	***Herndon (1991)
HFLF99	***Herndon et al (1999)
HFY01	Herndon et al (2001)
HIG95	Higgins (1995)
HG86	Higgins & Gordon (1986)
HPK84	Higgins et al (1984)
HO98	Hoffman (1998)
HB98	Host et al (1998)
HO07	***Hoover (2007)
ILS07	Ingram et al (2007)
JA84	Jackall (1984)
JT05	Jaffe & Tsimerman (2005)
JM506	Jaramillo, et al (2006)
JDA04	Jobim & De Arruda (2004)
JFB07	Jones, Felps & Bigley (2007)
JD97	Joseph & Deshpande (1997)
KA08	Kaptein (2008)
KA09	Kaptein (2009)
KS07	Keiser. & Schulte (2007)
KS09	Keiser & Schulte (2009)
KD91	Kelley & Dorsch (1991)
KFL01	Kennedy et al (2001)
KE03	Kerns, C. D. (2003)
KEY99	Key, S. (1999)
KM08	Kim & Miller (2008)
KHT10	Kish-Gephart et al (2010)
KE07	Kitapçi & Elçi (2007)
KB01	Koh & Boo (2001)
KO70	Kohlberg (1970/1983)
KO80	Kohlberg (1980)
KO81b	Kohlberg (1981b)
KO84	Kohlberg (1984)
KO86a	Kohlberg (1986a)
KH87	Kohlberg & Higgins (1987)
KK75	Kohlberg et al (1975)
KLH83	Kohlberg et al (1983)
KSH71	Kohlberg et al (1971)
LAC78	Lavoie & Culbert (1978)
LEM94	Lemke (1994)
LMG04	Lemmergaard(2004)
LL08	Lemmergaard et al (2008)
L501	Lending & Slaughter (2001)
LEU08	Leung (2008)
LR05	Liao & Rupp (2005)
LOC96	Loch & Conger (1996)
LOE96	***Loe (1996)
LOF97	Loe & Ferrell (1997)
LY97	Logsdon & Yuthas (1997)
LO95	Lovell (1995)
LDG97	Luthar et al (1997)
MD98	McDaniel (1998)
MKW97	McKendall el al (1997)
MCK93	***McKenna (1993)
MAC84	***Mackin (1984)
ML96	Maclagan (1996)
MAE04	Maesschalck (2004)
MAE05	Maesschalck (2005)
MT99	Malloy & Taylor (1999)
MA01a	Malloy & Agarwal (2001a)
MA01b	Malloy & Agarwal (2001b)
MA03	Malloy & Agarwal (2003)
MAR08	Malloy et al (2008)
ML510	Maon et al (2010)
MC06	Martin & Cullen (2006)
MAU79	***Maul (1979)
MAU80	Maul (1980)
MKG09	Maye et al (2009)
ME93	Menzel (1993)
MG06	Mirvis & Googins (2006)
MS02	Morris et al (2002)
MO97	Morris (1997)
MBM98	Mossholder et al (1998)
MJL06	Mulki et al (2006)
MJL07	Mulki et al (2007)
MJL08	Mulki et al (2008)
MUR89	Murphy (1989)
MTS09	Musiime et al (2009)
NMG08	***Nakhaee et al (2008)
NB00	Naumann & Bennett (2000)
NBM93	Near et al (1993)
ND09	Nelson & Donnellan (2009)
NM504	Neubaum et al (2004)
NWB04	Newton et al (2004)
NV97	Nwachukwu et al (1997)
OB02	***Ogbonna (2002).
OG01	***O'Grady Harvey (2001)
OK02	Okpara (2002)
OW08	Okpara & Wynn (2008)
OL95	Olson (1995)
OL95d	***Olson (1995d)
OL98	Olson (1998)
OL02	Olson (2002)
OR09	Oracle (2009)
PC03	Parboteeah & Cullen (2003)
PC05	Parboteeah et al (2005)
PB08	Parboteeah & Kapp (2008)
PA94	Pareek (1994)
PE02a	Peterson (2002a)
PE02b	Peterson (2002b)
PM90	Petrick & Manning (1990)
PP92	Petrick & Pullins (1992)
PW92	Petrick & Wagley (1992)
PO79	**Power (1979)
PO86	Power (1986).
PHK89	Power, et al (1989)
PM95	Power & Makogon (1995)
PR78	Power & Reimer (1978)
RMA03	Rasmussen et al (003)
RE02	Rego (2002)
RR91	Reidenbach & Robin (1991)
RE77	***Reimer (1977)
RP80	Reimer & Power (1980)
RP02	Rosenblatt & Peled (2002)
RR00	Ross & Robertson (2000)
RB06	Rothwell & Baldwin(2006)
RB07	Rothwell, & Baldwin (2007)
ROY09	Roy (2009)
RH00	Ruppel & Harrington (2000)
SAG99	***Sagnak (1999)
SM09	Saini & Martin (2009)
SCH71	Scharf (1971)
SCH73	***Scharf (1973)
SWH08	Schluter et al (2008)
SAN05	Schminke et al (2005)
SAK07	Schminke et al (2007)
SDF05	Schnake et al (2005)
SCH04	Schrader (2004)
SBW91	Schulte et al (1991)
SC01a	Schulte (2001)
SC01b	Schulte et al (2001)
SC02	Schulte et al (2002)
SC03	Schulte et al (2003)
SCH01	Schwepker (2001)
SFI97	Schwepker et al (1997)
SG99	Schwepker & Good (1999)
SG07	Schwepker & Good (2007)
SH05	Schwepker & Hartline (2005)
S&C06	Seligson & Choi (2006)
SH08	Shafer (2008)
SH09	Shafer (2009)
SLR10	Shapira-Lishchinsky (2010)
SHI05	Shirey (2005)
SIL00	Silverman(2000)
SK94	Sims & Kroeck (1994)
SK97	Sims. & Keon (1997)
SIM92	Sims (1992)
SB02	Sims & Brinkmann (2002)
SIN93	Sinclair (1993)
SIP93	Singhapakdi (1993)
SMA06	Small. (2006)
STI09	Smith et al (2009)
SMI06	Smith (2006)
SN93	Snell (1993)
SN00	Snell (2000)
SN01	Snell (2001)
SCT96	Snell et al (1996)
STC99	Snell et al(1999)
ST01	Snell & Tseng (2001)
ST02	Snell & Tseng (2002)
SC93	Sridhar & Camburn (1993)
SV10	Stewart. et al (2010)
SH03	Stone & Henry (2003)
STO89	Stoner (1989)
SAP10	Sweeney et al (2010)
TW97	Taylor & Walker (1997)
TTL09	Teen, Teo & Lander (2009)
TSU03	Tenbrunsel et al (2003)
TR86	Treviño (1986)
TR90	Treviño (1990)
TR92	Treviño (1992)
TBM98	Treviño et al (1998)
TN95	Treviño & Nelson (1995)
TN07	Treviño & Nelson (2007)
TW03	Treviño & Weaver (2003)
TS04	Tsahuridu (2004)
TH08	Tsai. & Huang (2008)
UO07	Ulrich et al (2007)
UP93	***Upchurch (1993)
UR95	Upchurch & Ruhland (1995)
UR96	Upchurch & Ruhland (1996)
UP98	Upchurch (1998)
VBB96	Vaicys et al (1996)
VS01	VanSandt (2001)
VSZ06	VanSandt et al (2006)
VAR01	Vardi (2001).
VG08	Venezia. & Gallano (2008)
VOP96	Verbeke et al(1996)
VGF07	Verbos et al (2007)
VER04	Verschoor (2004)
VER05	Verschoor (2005)
VC87	Victor & Cullen (1987)
VC88	Victor & Cullen (1988)
VC90	Victor & Cullen (1990)
VD90	Vitell & Davis (1990)
VRS93	Vitell et al (1993)
WA04a	Waring(2004a)
WA04b	Waring(2004b)
WB87	Waters & Bird (1987)
WEB07	Webber. (2007)
WE95	Weber. (1995)
WES02	Weber. & Seger (2002)
WKP03	Weber et al (2003)
WG10	Weber & Gerde (2010)
WLC04	Weeks et al (2004)
WLC06	Weeks et al (2006)
WIM91	***Wimbush (1991)
WS91	Wimbush & Shepard (1991)
WS94	Wimbush.& Shepard (1994)
WS97a	Wimbush et al (1997a)
WS97b	Wimbush et al (1997b)
WIN03	***Wingreen (2003)
WC96	Wittmer & Coursey (1996)
WO05	Wong (2005)
WOB06	Woodbine (2006)
WO90	Woodstock Th. Ct(1990)
WCL01	Wotruba et al (2001)
WJ97	Wyld & Jones (1997)
ZIP00	Zipparo (2000)

3. The third parameter concerns *concept names* (moral climate, ethical climate, moral culture, climate for ethics, climate for justice, moral atmosphere). This parameter simply counts the occurrence of concepts used (while acknowledging that this does not mean that the same name denotes the same phenomenon, or different names refer to different objects in reality, as was explained in the bugs and beetles part in chapter 3). The outcomes concerning this parameter are discussed in section 5.4 of this chapter.

4. The fourth parameter concerns the *type of contribution*, conceptual or empirical, or both. As will become clear, the major part of the contributions concerns research reports, whereas only a limited number of contributions is solely conceptual. This parameter is discussed in section 5.4 of this chapter.

5. The fifth parameter is the *type of industry* in which moral climate research has been carried out (for instance, for-profit versus not-for-profit, manufactory, tourist industry, health care, IT-sector). This parameter reveals which sectors and types of industry are covered by moral climate research.

6. The sixth parameter concerns the *country* in which the research has been carried out. This parameter gives insight into which parts of the world are included in moral climate research. In several respects, the countries of origin are of relevance. Nearly all contributions had been written in (American) English, most of which were published in American journals or international journals with the US as their home base. A small number of contributions were (in) Portuguese and an even smaller number of the publications were Dutch and published in the Netherlands. These texts were included because of their specific merits, despite the low degree of verifiability for those who are unfamiliar with Dutch and Portuguese. A second respect concerns the country of origin of the contributors, most of which were American. From a global point view, one of the issues in organizational theory concerns national culture and cross-national differences. From this perspective, moral climate theory covers all continents, except for Antarctica, for obvious reasons. Research was reported from Nigeria, Uganda, South Africa, Australia, China, Taiwan, Philippines, South Korea, Japan, Israel, United Kingdom, Belgium, Netherlands, Denmark, Portugal, Brazil, Canada, and, most of all, the United States of America.

7. The seventh parameter considers *author background* (education and occupation, specific fields of interest), to examine whether author background contributes to the quality of moral climate contributions, either positively or negatively. The academic background of the authors(s) includes the fields of general philosophy, ethics, organization and management theory, psychology, sociology, anthropology, education, theology, neuroscience, as well as industry related backgrounds, such as nursing, IT, police affairs, lodging branch, tourism, or sales activities.
   As far as possible, the background of the author(s) has been examined in terms of both

educational discipline and academic position and discipline. The reason for examining this aspect has to do with the fact that moral climate theory and research operate at the intersection of several disciplines, more in particular ethics on the one hand and organization and management theory on the other hand. The conjecture that developed in this research project was that academic background is an important element in the coming about of contributions to moral climate theory. Put roughly opposed to each other, two positions emerged, the position of the philosopher-ethicist having a little idea about how things are going in business ethics versus the position of the management/organization theoretician who has only marginal or superficial knowledge of ethical theory. From a developmental historical point of view - as the figures show - the latter category gradually outnumbered the former category. This, so to say, constitutes an important element of the tragedy of moral climate theory of the past two decades, as a genealogical analysis reveals. Anticipating one of the conclusions of the story, many contributions to moral climate theory fall short because of assumed inadequate knowledge of ethical theory. More specific, this has lead to the passing on and the duplication of the flaws of the model of Victor and Cullen through authors using it uncritically, which is one of the main conclusions of the present study.

- *Year of publication*

An apparently simple parameter is the year of publication. When we look at the scores in the table below, the conclusion may be that 1993 is the real kick-off for moral climate theory. Furthermore, 2008 looks like a substantial year for moral climate theory. However, to be informative, the numbers need some explanation. First, there can be a time lag between a text being written and being published, which means that this parameter should be taken not too exact. Second, nearly all publications before 1987 concern moral atmosphere among students and inmates in schools and prisons. Hence, these texts can only indirectly be considered as contributions to moral climate theory in labor organizations. Third, there may be patterns hidden behind the numbers, for instance, time intervals between industries and branches in which moral climate became a topic for research and theory building.

*Table 5.2.1: Frequency of publications on moral climate theory (*n=±300*)*

year	score	year	score	year	score	year	score
1970	1	1980	3	1990	5	2000	13
1971	2	1981	1	1991	7	2001	18
1972	0	1982	0	1992	4	2002	17
1973	1	1983	1	1993	13	2003	14
1974	0	1984	5	1994	6	2004	20
1975	1	1985	2	1995	9	2005	18
1976	0	1986	3	1996	11	2006	16
1977	1	1987	3	1997	17	2007	19
1978	2	1988	1	1998	11	2008	24
1979	2	1989	5	1999	10	2009	14
						2010	10

- *Type of publication*

More information can be obtained by looking at the other parameters, more in particular type and source of publication. In the scoring scheme in Appendix 1, five types of publications are distinguished, including conceptual texts, research texts, review texts, instrument evaluation, and handbooks. To some extent, this distinction is arbitrary as research texts often contain conceptual notions, as do instrument evaluation texts. Furthermore, both conceptual and research texts may contain reviews of earlier publications on moral climate theory. In trying to be discrete as possible, the following scores were collected (see table 5.2.2), were only those texts were considered as conceptual that contain no research part, whereas all texts referring to research were scored as research texts. The total number of scores exceeds the number of publications due to the overlap in type. Those publications that were not available (unpublished manuscripts) were scored nevertheless, because of their mere existence alone.

Table 5.2.2: Type of publication

type of publication	score (n=±300)*)
conceptual texts	117
research texts	238**)
instrument evaluation texts	20
review texts	6***)
handbook texts	4****)

* publications may fall into more than one category

** five publications have been published twice and count as separate publications.

***) Arnaud & Schminke (2007); Brown & Trevino (2006); Kish-Gephart, Harrison & Treviño (2010); Martin & Cullen (2006); Mayer, Kuenzi & Greenbaum (2008); Treviño (1986)

****) the publications of Treviño & Nelson (1995; 2007) are two editions of the same handbook

- *Source of publication*

Concerning the source of publication, there is diversity of publications. As it seems, moral climate theory is a subject for journal articles rather than for monographs. Of the about 300 texts examined, 237 were published in journals, either in printed form or on line. A special type of journal are annuals; they were taken here as journals, but could also be considered as books (readers). Texts that were published in books were considered as either book chapters in monographs of one more authors, usually covering a wider area than moral climate theory or as book chapters in edited readers generally also of broader contents, marked respectively as book chapters (m) and book chapters (r).

Another special source is the category of dissertations. Twenty-three dissertations on or about moral climate theory were found, twenty-two of which were not published, and therefore, were not available, with three exceptions that could be (partly) found through the Internet (Roy, 2009; VanSandt, 2001; Wong 2005) and one made available by its author (Maesschalck, 2004). In fact, this may be one of the severe limitations of the present study, not having considered so many academic unpublished dissertations (n=18), even though the contents of some of these dissertations became available through journal articles based on it. The only dissertation that was published (Lemmergaard, 2004) was available and could be therefore be included in the inquiry.

Furthermore, the dissertation of Roy (2009) was partly available (though sufficient for the purpose of the present study). Of course, after publication the dissertation of Lemmergaard could also be considered as a monograph dealing with moral climate theory.

A disputable source or information is the category of conference papers (n=12) and (internal) reports (n=10). Despite their lack of verifiability, they were included because of their special interest.
Finally, there appears to be little attention to moral climate theory in business handbooks. Of course, these contributions may have been overlooked. However, no references to handbooks were found during the inquiry, giving food for thought.

Table 5.2.3 Source of publication

source of publication	score (n=±300)	source of publication	score (n=±300)
journal articles	237*, **)	published dissertations	1 (Lemmergaard, 2004)
book chapters (m)	9 (including doubles)	unpublished dissertations	23***)
book chapters (r)	16 (including doubles)	conference papers	12****)
monographs	2 (Kohlberg,1981b; Snell, 1993)	research reports	10*****)

* five publications have been published twice and were counted as separate texts
**) including four articles published in annuals and including articles in on-line journals
***) nineteen of which were not available and hence not discussed in the present study; included were Maesschalck (2004); Roy (2008) (partly available); VanSandt (2001); Wong (2005)
****) two of which were not available
*****) one of which was published subsequently (Snell & Tseng, 2001; 2002)

Since moral climate apparently is a subject for journals, a closer look at the journals may reveal interesting patterns and circumstances. In sum, **237** articles were published in **105** journals of great diversity, including articles in the on-line version of the *Journal of Business Ethics* (to be published in print afterwards). The distribution of the scores among journals reveals that in most of the journals one or two articles on moral climate were published (see Appendix 1 for an overview). Furthermore, some peculiarities meet the eye, most of all the dominance of the *Journal of Business Ethics*. With **86** hits, this journal accounts for more than one third of journal contributions to moral climate theory. When considering only journal articles, the JBE share is even larger, and if we subtract those texts on moral atmosphere in schools, prisons, and kibbutzim, its share even larger yet, estimated 40%. It is not clear what causes this score. A possible explanation could be that JBE would have the editorial policy to publish virtually everything, thus causing this abundance of publications. Lack of criticism could have detrimental effects, for instance, the endless uncritical reproduction of inappropriate models leading to inadequate research ("if it is published, it must be good"). In this sense, editorial policy may obstruct scientific progress and hinder development, if this hypothesis would turn out to be correct.
In contrast, other business ethics journals published none (*Business Ethics*) to very few contributions to moral climate theory, as did *Business Ethics Quarterly* (4). Although they are few in number, some of the publications in *Business Ethics Quarterly* were often quoted, notable the publications of Treviño, McCabe, and Butterfield (1998) and Cohen (1993). Neglected and not

quoted, yet informative, is the BEQ publication of Collier (1998). When looking at the year of publication, none of these publications is very recent.
Only few articles were published in the renowned journals on management and organization, such as the *Academy of Management Review* (2), the *Academy of Management Journal* (2), *Administrative Science Quarterly* (1), *Human Relations* (2), *Journal of Organizational Behavior* (2), *Organizational Dynamics* (2), *Organization Science* (2), and *Organizational Studies* (2). Perhaps, the editorial boards of these journals were a bit more reluctant and strict as well, or, more likely, did not give high priority to publications on moral climate theory. As the genealogical exercise shows, two of the most influential articles (most quoted) were those of Treviño (1986) in the *Academy of Management Review* and of Victor and Cullen (1988) in *Administrative Science Quarterly*. Alternatively, the relative popularity of these articles may also be caused by the fact that they were almost the only publications on the subject matter, and renewing as well. Other journals scoring more than two hits include the *Journal of the Academy of Marketing Science* (4), the *Journal of Moral Education* (4), and the *Journal of Personal Selling & Sales Management* (8). The *Journal of Moral Education* published articles of moral atmosphere/moral climate in schools and correctional institutions, whereas the two other journals published on ethical climate in the sales force. Apparently, journals that are connected with specific branches or industries have their own, more specific moral climate publications. This is especially true for the health care sector. In sixteen health care journals, nineteen articles were published, often with their own vocabulary and conceptual models.

- *Type of industry (sector)*

The *type of industry* parameter shows which sectors and types or branches of industry are covered by moral climate research and theory building (for instance, for-profit versus not-for-profit, manufactory, tourist industry, health care, IT-sector). In the first place, scores can be collected according to the type of industry in which research was carried out. However, it appeared that some conceptual contributions also were restricted to a special sector or industry. In Appendix 1, the type of industry of these contributions is represented in italics. Furthermore, there is a problem in identifying sectors and industry, because many authors did not wish to reveal the place of their research (perhaps because this was agreed upon with the organization as a research condition, or as a condition for gaining access to that organization). Therefore, on many places in Appendix 1, no other indication could have been given than "various, unspecified". The qualification "various" could hint at another empirical issue (to be discussed later), for instance, camouflaging a sample size too small to arrive at valid conclusions (for instance, one respondent per organization). Another peculiarity was that some research was carried out under laboratory conditions (Andreoli & Lefkowitz, 2008; Aquino, 1998; Gaertner, 1991; Sims & Keon, 1997), inevitably leading to problems of reliability, validity, and hence, generalization. Tables 5.2.4a and 5.2.4b show a wide diversity of branches, industries, and sectors to which moral climate theory relates. Accountancy and finance, health care, and marketing, sales force, and advertising are three categories with high scores. However, it could be interesting to consider those industries seem to be underrepresented, for instance, recreation and tourism, automobiles, trading, foods, military services; possibly, the category "various" includes those industries.

Table 5.2.4a: Type of industry examined

industry /sector	score	industry/sector	score	industry/sector	score
simulation with students	4	trading	2	telecommunication	2
various (unspecified or unknown)	63	tourism and travel	2	fishing	1
aerospace	1	entertainment	1	defense contractor	1
transportation	2	automobiles	5	printery	1
sports	3	metal industry	5	naval shore	1
marketing/sales force/advertising	24	high tech	1	ICT	8
accounting	9	chemicals	2	academic organizations	5
finance, banking and insurance	21	technical services	1	education (personnel)	5
health care/nursing	21	instruments	1	education (students)**)	37
government, army, public services	16	beer	1	construction	1
lodging	3	clothing/textile/sewing	3	department stores/retail	4
police ; fire department	5	carpentry restoration	1	project organizations/ consultancy	2
not-for-profit (unspecified)	2	kibbutzim	1		
non-profit charitable organizations	2	foodservices industry (restaurant)	1	prisons/juvenile correction institutes**)	5
ice cream (Ben & Jerry's)	1				

*) since research could be conducted in more than one sector, the total of number of scores exceeds the number of research publications

**) these contributions concern Kohlbergian moral atmosphere research in schools

Table 5.2.4b: Type of industry in pure conceptual and instrument evaluation contributions

conceptual contributions		instrument evaluation contributions	
industry or sector	score (n=11)	industry or sector	score (n=9)
various (unspecified)	2	general or unspecified	2
marketing & sales force & advertising	1	libraries	1
accounting and finance	1	marketing	1
health care	5	accounting	1
not-for-profit (unspecified)	1	health care	2
prisons; juvenile correction institutes*)	1	public services	2

*) these contributions concern Kohlbergian moral atmosphere research

- *Country in which research is conducted*

Apart from considering the types of industries in which moral climate is researched, one could look at the geographical aspects. As it seems, moral climate research is an all-American affair, for the most part. In a small number of cases, cross-national comparisons had been, for instance between USA and Taiwan (Herndon, Fraedrich & Yeh, 2001) and between USA and Japan (Parboteeah, Cullen, Victor & Sakano, 2005). Teen, Teo, and Lander (2009) compared ethical climate in no less then twelve countries, including Australia, China, Taiwan, Japan, India, Indonesia, Philippines, Malaysia, Hong Kong, Thailand, Singapore, and South Korea. In one publication, a worldwide inquiry was set up, in Ben & Jerry's branches all over the world[101]. No continent is deprived of moral climate research, though some areas appear to be

underrepresented or even not represented at all (German speaking countries, including Germany, Austria, Switzerland, Eastern Europe, South America, Scandinavian countries, France, Italy, Spain, Arabian countries, Africa). It is concluded too hastily that there is no moral climate research in those areas. There may research, but is has not reached the international English speaking forum, which may be due to inward-looking national cultures with a language covering a large region, especially France, Germany, Spain, and Italy.

Table 5.2.5 Country in which research is conducted

country	score (n=238)*)	country	score (n=238)*)	country	score (n=238)*
"worldwide" (B&J)	1	China	7***)	Portugal	2
USA	167**) ***)	South Korea	2	Ireland	1
Turkey	6	Singapore	2	Russia	3
Netherlands	6 **)	Japan	2	Uganda	1
Denmark	2	Hong Kong	7	Israel	5
United Kingdom	2	Taiwan	3	South Africa	2
Canada	9**)	India	3	Nigeria	3
Belgium	2	Iran	1	Philippines	2
Slovenia	2	Malaysia	1	Indonesia	1
Australia	8	Brazil	2	Thailand	1

*) because of cross-national research, the total amount of countries exceeds the number of publications

**) these include Kohlbergian research in schools and prisons

***) four of these publications were versions of the same text (Snell & Tsjeng 2001; 2002; Upchurch & Ruhland, 1995; Treviño, 1990 and Treviño & Nelson, 1995/2007; Treviño, Butterfield & McCabe, 1998 and Treviño & Weaver, 2003).

- *Author background*

Author background (education and occupation, specific fields of interest) is considered to examine whether and how it contributes to the quality of moral climate contributions, either positively or negatively. The idea is that authors with a non-ethical background may have trouble with the conceptualization of the ethics part of "moral climate", which may mar or even devaluate their contributions. On the other hand, authors with a background in ethics only, may have trouble with business matters for not having appropriate ideas about daily routine in organizations. Fortunately, most publications offer author information, at times very detailed. Yet, this information may be misleading. For instance, an author with a typical background in marketing, may be suspected of having little notion about ethics theory. However, even a superficial glance at the bibliography or the theory referred to may lead to other conclusions. Therefore, apart from considering position and education, author background is also characterized by looking at the contents of texts.

Elementary counting revealed that **309** texts (including doubles and the texts not available for reviewing) were written by **408** *different* authors, some of which contributed more than once. Most of the texts were written in collaboration (from two up to six authors). While some of the authors remained anonymous (for instance, Oracle, 2009; Woodstock Theological Center, 1990), other authors could be considered for their productivity, solo, or in collaboration. To mention only the

authors who published more than five contributions, Agarwal contributed to five, most of in collaboration with Malloy who contributed to six publications. Deshpande contributed to six publications, Schwepker to six, Schminke and Loe to five. Cullen contributed to five, Victor to seven publications (mostly in collaboration), Snell to six (double publication subtracted), Treviño to seven (excluding doubles). From the moral atmosphere section, Kohlberg contributed to eleven, Higgins to five, and Power to seven publications. These authors are even more influential when we take into consideration the number of times they are referred to.

Concerning academic backgrounds, scoring turned out to be not easy. Quite a few authors have a multiple background, whereas teams of authors in combination has a multiple and complementary background (for instance one in ethics and one in management). Furthermore, scoring of academic backgrounds does mean not so much when it is not related to the number of publications of that author(s). Therefore, only rough estimates are made that identify only those publications and their authors that are monodisciplinary or multidisciplinary. Finally, only a thorough contents analysis would reveal the impact of academic background on the quality of texts, for instance essential shortcomings concerning either ethics theory (as occurred frequently) or concerning management theory (occurring occasionally). For now, only a surface description is made, as an in-depth analysis probably is not worth the effort. Of **28** publications, the authors' background was unknown. Other authors had specific backgrounds, including bioethics, industrial psychology, labor studies, dentistry, sport, health economics, health care, nursing, social work, education, OD, business administration, nursing administration, public administration, IT, engineering, hospitality & tourism, religion, HR, marketing, or accounting, or were members of a crime and misconduct commission of the police force. A majority of the authors had a background in management and organization theory, a small minority a background in ethics only, and a substantial part of the authors had a combined background in ethics and management and organization theory, either individually, or within a writing team (see table 5.2.6)

Table 5.2.6: Author background

author background*)	score
no background reported or unknown	28
no specific ethics background reported (only organization and management theory**) and professional expertise)	212
only specific (special) ethics background reported	4
no specific background in both ethics and organization and management theory reported***)	86
combination reported of background in both ethics and organization and management theory	36

*) the total score exceeds the number of publications because of co-authorship

**) including HR,OD, industrial and organizational psychology, labor studies, business, nursing, and public administration, but not including accounting and marketing (which are considered as professional expertise, much like, for instance, nursing or education).

***) that is, only specific expertise reported (health care, IT, accounting, marketing, education, police, public affairs,

ICT, et cetera), with a substantial share of marketing expertise.

When moral climate theory is situated on the intersection of ethics and management and organization theory, it can be concluded that the authors of only **36** out of **309** publications dispose of the explicitly expressed appropriate academic background expected to deliver sound contributions to moral climate theory. When those publications lacking author information do not account, no less than **245** publications do not pass the double discipline test actually, as it seems, including all Kohlbergian oriented moral atmosphere contributions. However, this conclusion should not be taken too stringently, as many "non-ethics" authors did consider ethics in their contributions, irrespective of their academic home. Nevertheless, this alleged common lack of ethical expertise may be considered as a writing on the wall concerning the quality of contributions to moral climate theory.
Recalling the preliminary hypotheses formulated in chapter 1 concerning the credentials of contributors to moral climate theory, all three can be considered as confirmed. Contributors to business ethics in general and moral climate theory in particular having their roots in ethics put a greater emphasis on ethics thus favoring a normative approach while lacking of proper knowledge of matters of business/organization, as well as practical intervention methods. Contributors to business ethics in general and moral climate theory in particular having their roots in management science (or correlates) put a greater emphasis on organizational phenomena thus favoring an empirical approach, while lacking proper knowledge of ethics theory/moral argumentation, as well as practical intervention methods. Finally, contributors to business ethics in general and moral climate theory in particular having their roots in OD practice/consultancy put a greater emphasis on practical intervention programs, while lacking proper knowledge of ethics theory/moral argumentation, matters of business/organization, or both. Perhaps a more thorough genealogical exercise may confirm or refute this suspicious conjecture.
In the next subsection, a genealogical exercise shows the apparent hegemony of the ethical (work) climate concept as well as other significant figures.

5.2.3. Conclusions of surface analysis: some genealogy
The "tracking" part consists of identifying patters of reference, concerning genealogically who refers to whom and who is referred to. In the tracking part of the overview, a *genealogical* perspective is taken, by examining who has been reading and either confirming, utilizing or criticizing whose publications. This genealogy covers several tracks: the internal moral climate track, the Kohlberg track, and the external track (connectivities) (see also the schemes that make up Appendices 2 and 3).

The "moral climate track" consists of visualizing paths and patterns of reference. More in particular, genealogy could detect moral climate debates, if present. However, there were no explicit debates to be found. Instead, the genealogical perspective reveals a large stream of publications leaning rather uncritically on the typology of Victor and Cullen and their Ethical Climate Questionnaire. In this manner, genealogy is also of interest in specifying the (lack of)

development within moral climate theory, which could be at least partly due to the specific academic backgrounds and fields of interests of contributors.
The "Kohlbergian track" considers the way authors relate to Kohlberg's theory of cognitive moral development. A closer genealogical inquiry could reveal inadequate patterns of reference to publications of Kohlberg and associates. As it seems, not a few authors only refer to Kohlberg's earlier publications (Kohlberg, 1969) while ignoring more recent manifestations of Kohlbergian theory. This genealogical inquiry could also show an increasing use of the *Defining Issues Test* of Rest and the four components of morality distinguished by Rest.

The "external track" examines whether authors have utilized bodies of literature from related disciplines. This track is not only about ethics and about organizational climate and culture, but also about theories considered as connectivities. These are theories connecting the moral climate phenomenon to other bodies of knowledge describing either antecedents of moral climate or its consequences (for instance, national cultures on the antecedent side, and job satisfaction, types of unethical behavior, and commitment on the consequence side).

Along these tracks, both genealogical patterns and (in)excusable omissions can be made visible. Of course, authors cannot be accused of having not read all the relevant literature, if available. This kind of Sisyphean task would most probably lead to no academic publication at all, considering the magnitude of the literature involved. However, as we have seen in the conclusions concerning the scoring part, many authors seem lacking the proper background to deliver contributions meeting the criteria. In fact, there may flaws in publications that could have been prevented when proper attention would have been paid to either climate theory or ethics, or, of course, to both domains. The expectation seems warranted that due to these alleged insufficiencies, publications remain unnecessarily underachieving.

- *The moral climate track*

Exact counting reveals patterns of influence (in which references to own publications are excluded). The rather peculiar fact occurs that no author outside the Kohlbergian domain referred to the moral atmosphere concept at all, or in a much washed out manner (Lovell, 1995). Instead, the moral climate track shows the patently obvious supremacy of the model of Victor and Cullen. No less than 126 publications used the model of Victor and Cullen, while many more authors referred to it. Within the Victor and Cullen domain, the twin publication of Deshpande (1996a; 1996b) is referred to often (n=64). This shades the impact of other authors and their models. For instance, the model of Snell is referred to hardly (n=3), while it had deserved a better reception. The model of Treviño (n=66 for TR86, n=41 for TMB98, n=23 for TR90, n=10 for TN95/TN07, and n=3 for TR92). The early publication of Robin and Reidenbach (1991) was referred to eleven times. All other patterns of reference show lower numbers.

- *The Kohlbergian track*

The hypothesis that many authors are at least tributary to Kohlbergian can be confirmed by counting the number of references to the contributions of Kohlberg's theory of cognitive moral

development. Of the publication of which references could been counted (n= 308-22+10=296)[2], **156** contributions referred to publications of Kohlberg, Rest, Weber, and/or Gilligan (42 of which to Gilligan). Ten publications can be added that were not included, as the authors are supposed to be familiar to Kohlbergian theory. However, twelve publications should be subtracted because these are publications of Kohlberg (alone or with associates), making up the grand total of 152 references to at least one Kohlbergian publication. This not the end of the story; because indirect references are not counted, the total amount of authors relying on Kohlbergian thinking, even in its distorted forms, may be considerably higher. When we include the publications that refer to publications of Victor and Cullen (said to be inspired by Kohlberg) but not to Kohlbergian publications (n=61), and include references to publications of Treviño (n=16), adding up to n=229 out of n=274 (295-12 Kohlbergian) contributions (=**84%**). The actual impact of the Kohlbergian paradigm could even be larger when we also would include those references in contributions that only rely on the spin-off of Victor and Cullen (for instance, Deshpande, and Wimbush and associates).

Despite this figures, a decline in references can be documented when we include a time element into the survey. Of course, the earlier Kohlbergian inspired moral climate contributions refer to the Kohlbergian paradigm (for instance, Maul, Power, Scharf, and Reimer). When we take a closer look at the contributions delivered in the 2006-2007 period, in sum, of the n=75 contributions (one of which not available), only 24 (32.4%) referred directly to Kohlberg, whereas 50 did not. In contrast, the period in-between 1991-1995 offers a different picture, as of the n=39, 26 directly referred to Kohlberg, whereas 13 did not (=33.3%). In sum, there is a decline from about two third to one third concerning the explicit references to Kohlberg's theory. Combined with other observations, it can be concluded that the explicit impact of Kohlbergian theory is diminishing, while the implicit though at times distorted impact still carries on. In Freudian terms, this could be labeled "the repression of Kohlberg's theory".

- *The ethics and climate/culture track*

Concerning the *ethics* part in moral climate studies, the issue is what counts as a substantial reference to ethical theory. The question is not so much, to which authors one is referring but whether the moral climate study under review is based on sound ethics theory at all. This ethics theory can be found throughout a large amount of publications, textbooks, monographs, and articles/book chapters. Business ethics literature is a specific category, since it may or may not be built upon sound ethics theory. It would ask for a separate – interesting though time consuming – exercise to examine the nature and quality of ethics theory represented in business ethics literature. Yet, for our purpose, a general impression will be sufficient to test to hypothesis that in moral climate literature, the moral part is underpinned with ethics theory sufficiently, allowing authors to give serious misinterpretations of ethical concepts and theories. Therefore, four broad categories are distinguished: ethics textbooks (ET), ethics monographs (EM), ethics articles and book chapters (EA), and business ethics literature (BE). A superficial genealogical glance reveals

2 This figure is composed as follows: though 23 publications were not available, of ten of these publications the authors were familiar with the Kohlbergian theory, judging from other publications of these authors (EL89; HE91; HFLF99; HOO07; HYI01; MAU79; PO79; RE77; SCH73; UP93; WIM91).

the following findings (in which references to Kohlbergian and moral climate theory are not included). In this overview, the publications that were not available (n=22) were not included, as was the only publication that was not available completely (ROY99). This means, that 308-23=285 publications were included in the table. In these publications, 5% lacked any reference to ethical theory (n=15), 8% referred to ethical textbooks (n=22), 36% referred to ethical monographs (n=102), 32% referred to ethical articles (n=90), whereas 85% referred to business ethics literature (n=243) (including all but Kohlbergian and non-referring authors). This concerns single references and any of the possible combinations indicated in the table below.

Table 5.2.7 ethics publications (overview)

score	ET	EM	EA	BE
15	0	0	0	0
0	x	0	0	0
1	0	x	0	0
3	0	0	x	0
131	0	0	0	x
0	x	x	0	0
15*)	0	x	x	0
27	0	0	x	x
1	x	0	0	x
37	0	x	0	x
0	x	0	x	0
4*)	x	x	x	0
24	0	x	x	x
8	x	0	x	x
9	x	x	0	x
11	x	x	x	x
*) all from the Kohlbergian section 1				

Fifteen contributions (5.5%) did not relate to ethics theory explicitly through references (BAS09; FED07; GE06; KS09; MAE05; KK75; PA94; OL02; OR09; S&C06; SCH73; SK94; VBB96; VER04; WA04b). This can partly be explained by looking at the type of text and the public it is written for. Some texts are produced for non-scientific purposes, making it less necessary to produce long lists of references, as it seems (for instance, BAS09; FED07; GE06; OL02; OR09; VER04; WA04b). Remarkably, this category consists of recent texts, for the most part. Other texts are more like discussion or conference papers (for instance KK75; MAE05; SCH73).

The absence of any reference to ethical theory (apart from moral climate literature) may appear odd in scientific publications. Though quantity should not be the measure, some elementary counting may reveal unwarranted inadequacies in scientific underpinning of theory building and research. A closer look at the figures begs several questions, for instance, concerning the details of the category with lowest scores, the 1-5 category (n=61). How many contributions are limited to only one reference to ethics theory? Is there compensation by referring to many moral climate contributions or to Kohlbergian literature? Is a general tendency of reducing references to be detected when we compare references frequencies to year of publication? Another questions concerns the nature of high frequency references (n=12). Are these publications of a specific kind (for instance, dissertations, monographs, or review articles)? A more precise look reveals the following image.

Table 5.2.8 frequencies

number	frequency
0	15
1-5	61
6-10	58
11-20	69
21-50	69
≥51	13
sum	285

From the lower side, the following scores were recorded: 1 (n=5), 2 (n=9), 3 (n=15), 4 (n=13), and 5 (n=19). Publications with one single reference to ethics theory (BLF08; ENG08; HA05; PB08; TTL09) are relatively recent. None of these authors does refer to Kohlberg's theory, whereas references to moral climate publications are absent (ENG08), scarce (TTL→KB01), selective (HA05→OL95; OL98; SK94; WS94, and BCF08→CPV03; KD91; SCH01; VC88; WES02; WS97a), and relevant but referring to own publications only (PB08→CPV03; CVB93;

CVS89; MC06; PC05; VC87; VC88). Publications with two references to ethical theory (n=8) offer a slightly different picture. CVS89 refers to both the Victor and Cullen model and to Kohlberg (1981a), while aiming at a glossier public without strict scientific purposes. Other publications lack references to ethical theory, but do refer appropriately to Kohlberg and to Victor and Cullen (FRE00) and, in addition, refer to previous moral climate publications of their own hand(JD97; WSB97b), too. Still other publications do not refer to Kohlberg, but plainly relevant to other moral climate contributions (EG07→ ADL05; BV00; CVB93; CPV03; D97b; DS01; TBM98; VC87; WLC04; WS97b; WJ97; STI09 → CVB93 FM02 FRI00 RH00 VBB96 VAR01 VC87 VC88 WS94 WS97a WS97b). However, recent publications from the tangential section 7 (VER88; ND09) lack references to both the Victor and Cullen model and Kohlberg, which may represent a tendency of moving away from classical moral climate theory conceptions.

Publications from the upper side (n=13) include: BB04 (n=53), CH95 (n=60), KHT10 (n=156), KLH83/KO84 (n=82), LMG04 (n=140), MAE04 (n=102), MLS10 (n=71), PHK89 (n=72), SN00 (n=60), SAP10 (n=68), VS01 (n=62), and VSZ06 (n=59). Three of these publications are from the Kohlbergian side, offering no references to business ethics literature (KLH83/KO84; PHK89). CH95 is a conceptual contribution often quoted (n=22), acclaimed for the thorough and well-underpinned treatment of the subject. KHT10 is a review publication with many references to Kohlbergian literature (including unpublished dissertations). LMG04, MAE04 and VS01 are dissertations exploring the model of Victor and Cullen, though without scrutinizing its foundations (VSZ06 being an article based on VS01). MLS10 concerns BE literature only, mainly on CSR, though abundantly. SN00 - *Studying Moral Ethos Using an Adapted Kohlbergian Model* – is a well-founded contribution offering a new Kohlbergian approach of moral climate. Finally, BB04, SAP10, and WG10 both focus on moral intensity, while referring to business ethics literature mainly.
It is not easy drawing conclusions. Ample references to ethical theory do not always help avoiding misconceptions, whereas few references do not imply a lack of underpinning with ethics theory. Not having an initial background in ethics can be compensated by reading ethics literature, as many authors did. On the hand, despite having read much about ethics, a lack of ethical background may prevent authors from grasping the essence of strategies of moral position taking. A closer look at the contents may help us further.

Those publications that did refer to ethics theory can be distinguished in several ways, for instance by looking at relative frequencies and combinations. It should be noted here, that this exercise has less explanatory power than it has illustrative value of tendencies emerging from the analysis of scores.
Only 11 publications (4%) referred to all of the four ethical theory categories (CPV03; CVB93; DRU00; KLH83; LMG04; SMA06; SN93; SN00; VS01; VSZ06; VC88). It would be no surprise that this series of publications includes textbooks (KLH83), monographs (SN93), dissertations (LMG04; VS01), and what can be considered as premium articles (CH95; CVB93; SN00; TR86; VC87; VC88; VSZ96).
No publication referred to ethical *textbooks* only. Furthermore, only publication relied on ethical

monographs only (KH87), whereas three publications relied on ethical *articles* only (BH94; BR94; KSH71). These four texts have their pure Kohlbergian background in common while discussing educational organizations (being the principal reason for not referring to business ethics literature). In contrast, no less than 131 contributions (=46%) relied on business ethics literature only, at the neglect of other, possibly more substantial and fundamental ethics literature.
Are there favorite texts on business ethics in such a manner than they can be labeled as part of the business ethics canon? In a review article, Ma (2010) discusses the status of contemporary business ethics research and identified business ethics premium articles (often cited), some of which are also favorite among moral climate authors. Much-quoted texts are those of Carroll (1993), Ferrell and Gresham (1985), Fritzsche and Becker (1984), Hunt and Vitell (1986), Jones (1991), Treviño (1986) (also mentioned by Ma) (none of them being very recent). Not mentioned by Ma, but often referred to by moral climate authors are contributions of Randall and Fernandez (1991), Randall and Gibson (1990), Trevino and Youngblood (1990), and Weber (1993). Another publication much referred to, though not from the BE section, is Blasi (1980).
The current genealogy in Appendix does not contain an overview of the frequency of scores of BE publications. Such an overview was not assembled because of the great diversity of BE texts referred to. If a conclusion has to be drawn, it would be a conclusion regarding the lack of a business ethics canon that BE authors prefer referring to, a phenomenon to be explained b y looking deeper at the nature of BE texts quoted.
The nature of the BE literature that has been studied was, at least in several instances, of the specific type (branch or professions) or confined to a specific aspect of manifestation of ethics. Specific ethics includes, for instance, ethics and dentistry (AC05), health care ethics (BE03; BO03; CM05; EDK02; HB07; OL95; OL98; SHI05; SIL00; UO07), educational ethics (BAN97; DFP01; nearly all Kohlbergian moral atmosphere publications; SBW91; SC02), marketing and sales force ethics (DSK98; FJF07; GHC08; VD90), police ethics (EL02; RB06/07), public service and administration ethics (MAE04), sport ethics (MT99), military ethics (DU04; SMA06; WG10), ICT ethics (SH03; VD90), accountancy ethics (SAP10), library and information ethics (WEB07). Aspects and manifestations of ethics include, for instance, moral imagination/moral sensitivity/moral awareness (CM07; SWH08; VS01; SZ06), moral intensity (BB04; SAP10; WG10), moral distress (SWH08), procedural justice and fairness (CNJ02; EH04: KB01; LR05; MBM98;NB00; WO05), corporate citizenship behavior and corporate social responsibility (EH04; GHC08; LEU08; LR05; MLS10; MG06; MO97; MBM98; NB00; RE02), altruism (EH04), ethical leadership (BT06; EAT05), business ethics in Russia (JT05), ethics training/teaching ethics (KA09; LDG97), ethics codes (KA09; MJL07; WCL01), trust (KFL01; MJL07; RH00), ethics of deviant workplace behavior (ADL05; NBM93; PE02b; RR00; SK97; VAR01; WKP03).

No less than 263 contributions lack any reference to ethical theory (ET) as exposed in *textbooks* (92.3%), whereas 22 do refer to ethics textbooks (7.7%), of, for instance, Frankena (1963/1973), Taylor (1961), and Haan, Aerts & Cooper (1985). The purpose of such reading could have been to arrive at a proper account of strategies of moral position taking and their philosophical foundations. These textbooks are not listed according to author(s), but are listed only for their

relative frequency: 16 * 1, 2*2, 1*3 (SN00), 2*5 (KLH83/KO84), and 1*22 (VSZ06).
In only 36% of the texts, the authors referred to ethical monographs. Which publications inspired these authors? In Kohlbergian circles, Piaget, Durkheim, Dewey, Peters, Rawls and Kant are much quoted sources of wisdom. The category of classical moral philosophers referred to includes - besides Kant - Mill, Bentham, Hume, Smith, Spinoza, and Nietzsche, whereas the category of less classical moral philosophers included Baier (1965), Hare, Stevenson, Perry, Walzer, Nussbaum, Rawls, and Habermas. Absolute favorites were Etzioni (1988), MacIntyre (1984), Adam Smith, and Rawls (1971). Most referred to, however, was *Ethics and the Limits of Philosophy* of Bernard Williams (1985) (n=20).
In sum, this part of the genealogical exercise shows a scattered image of preferences concerning ethics theory, and a lack of an excepted canon of literature one cannot do without. Put in a more negative way, these finding does not contradict the earlier reported finding that the authors of **212** contributions did not give an indication of having a background in ethics, apart from (some) moral climate literature.
Also listed were the publications concerning organizational *climate* and organizational *culture*, not only to examine whether authors take culture and climate theory issues serious, but also to find out which authors and their publications were referred to most. Connectivities are discussed in the empirical issues part of section 5.4.
Of the 285 publications included into the foundational analysis, 117 (41%) did not refer to any substantial and qualified literature concerning organizational culture and climate, whereas 168 did (59%). Moral climate authors inquiring moral climate in schools, referred (almost only) to school climate literature (BR94; BH94; KS07; KS09; SC01a; SC01b; SC02; SC03). Quite a few authors referred to less than five titles: 1 (n=43), 2 (n=31), 3 (n=21), 4 (n=11), and 5 (n=10) (in sum n=116, of which n=74 had only one or two references, that is, 26% of all texts). Added to the percentage of non-referring authors, no less than 67% did not refer or referred inadequately to climate and culture literature. Though, as it seems, authors citing less abundantly did manage to turn to the relevant literature.
On the upper side (≥10 references), authors can be found that made a serious issue out of the conceptualization of moral climate, while using both climate and culture literature, including literature addressing the climate-culture controversy (n= 18, including CH95, CH98, DS01, GR01, LMG08, LL08; MAE04; SCH01; SIN93; VS01; VAR00; VC87/90; VC88; WS91; WS94; WS97a; WS97b; WO05). The most elaborated discussion of moral climate in relation to climate and culture theory was delivered by Lemmergaard (2004) in her dissertation (n=57, while only the references considered essential were counted).
In addition, it would be interesting to examine the choice of authors consulting only one reference to climate and culture literature. Of more interest is examining the pattern of references to find out whether there is something like a culture and climate literature canon. In doing so, references are counted and conclusions drawn concerning climate and culture literature. The table presented below offers an overview of references that, in a way, reflects the subsequent emergence of the climate and culture constructs, and their eventual comparison. The climate concept clearly is the elder concept, whereas culture literature follows since the early Eighties. In the early Nineties, texts comparing both constructs were published.

Table 5.2.9 The climate and culture track

climate literature	score	culture literature	score	climate/culture controversy	score
Ashforth 1985	12	Deal & Kennedy 1982	24	Ashkanasy & Jackson 2000	0
Field & Abelson 1982	9	Hofstede 1980/1984	18	Denison 1990	4
Glick 1985	18	Hofstede et al 1990	10	Denison 1996	11
Guion 1973	4	Moran & Volkwein 1992	4	Reichers & Schneider 1990	17
James & Jones 1974	13	O'Reilly et al 1991	10	Rentsch 1990	4
Jansen & Von Glinow 1985	8	Ouchi 1980	13	Schneider & Rentsch 1988	10
Johannesson 1973	4	Ott 1989	5		
Joyce & Slocum 1982	2	Peters & Waterman 1982	7		
Joyce & Slocum 1984	12	Pettigrew 1979	5		
Litwin & Stringer	12	Rousseau 1990	2		
Payne & Mansfield 1973	3	Schein 1985/1991/2004	37		
Powell & Butterfield	13	Schein 1990	5		
Pritchard & Karasick	12	Smircich 1983	7		
Qualls & Puto 1989	7	Cameron & Quinn	2		
Rousseau 1988	5				
Schneider 1975	50				
Schneider 1983	20				
Schneider & Reichers 1983	29				
Tagiuri & Litwin 1968	10				
Zohar 1980	13				

Influential are Schneider's (1975) early contribution on organizational climate (n=50) and Schein's monographs on organizational culture (n=37+5). Overall, Schneider is the most cited author concerning the climate concept (n=158), having a culture counterpart in Schein's publications (n=49). Especially through the works of Victor and Cullen, the climate definition of Schneider (in its perceptual approach) has been dispersed through many moral climate contributions. Remarkable is the number of references to Zohar (1980), who wrote about a specific climate type, safety climate. However, more important is the article of James and Jones (1974) explaining different concepts of organizational climate, notably distinguishing the attributes approach and the perceptions approach (n=12). Essential texts concerning the climate-culture controversy are the contributions of Denison (n=4+11), of Reichers and Schneider (1990), and perhaps of Rentsch (1990). Authors wishing to find their way in issues concerning the climate-culture conceptualization could at least use these texts as their point of department. Therefore, it could happen to be that even authors with relatively small numbers of references could have been wise in their choice of theoretical resources. However, in only three dissertations, of Lemmergaard (2004), VanSandt (2001), and Wong (2005) references were made to James and Jones (1974), Denison (1990; 1996), and Reichers and Schneider (1990).
To be conclusive, the climate tradition had more impact on moral climate theory than the culture tradition. Furthermore, from a genealogical perspective, much of the initial wealth of climate theory has gone lost while being ignored by many contributors. In section 5.4, we will consider the foundations of moral climate theory while trying to formulate the actual state of the art.

What can we take home from this genealogical exercise? Put briefly, there is tendency to move away from Kohlbergian origins of moral climate theory, reinforced by a certain carelessness concerning the ethics part of moral climate, and, even worse, a worriless and perhaps uncritical use of climate and culture theory. The moral climate track shows a heavy influence of the model of Victor and Cullen, that is adapted uncritically, though with a growing skepticism among a limited number of researchers (as we will become aware of in the next section). Other strands were not as influential, with an increasing number of publications using moral climate concepts in a (sometimes less than) tangential way. Mindful of the methodology of foundational inquiry, the next section contains the material analysis, for the greater based on the examination of about 300 publications, the greater part of which has been reviewed; review texts text can be found on the CD-ROM that accompanies the printed text. Much of the information taken from the reviews is also summarized in the schemes that make up the Appendices 3 and 4.

5.3 Summary review of contributions to moral climate theory

In this section, the conclusions of the reviews included on the CD-ROM are summarized. These reviews were arranged into seven sections, showing an increasing distance to Kohlberg's theory of individual cognitive moral development, abandoning one feature after another (conceptual richness, comprehensive typology, sophisticated research methodology, developmental perspective, and evaluative criteria. Suggestions for moral climate intervention increase, though not always related to a clear conceptualization of moral climate, if at all. To be sure, Kohlberg's theory has been a source of inspiration for a great deal of researchers and theoreticians within the organizational field (and of course outside of it). Kohlberg's theory is used to understand moral decision-making in organizations (as elaborated by, for instance, Blake & Carroll, 1989; Elm & Nichols, 1993; Ferrell & Fraedrich, 1994; Francis & Armstrong, 2008; Goolsby & Hunt, 1992; Graham; 1995; Kaptein, 1998; Maclagan, 1990; Martynov, 2009; Mudrack, 2003; Nicholson, 1994; Snell, 1993; Snell, 1996; Snell, 2000; Trevino, 1986; Treviño & Youngblood, 1990; Treviño, 1992; Treviño, Weaver & Reynolds, 2006; Weber, 1990; Weber, 1991). Furthermore, programs of ethics training for managers are developed according to Kohlbergian notions (for instance, Snell, 1993; Treviño & Weaver, 2001; 2003; Weber, 1993). In the next subsections, the seven sections that make up the second track of the present study are characterized according to their main characteristics (n= number of studies included):

Table 5.3.1 *Distribution of publications segmented in sections*

▪ section 1: Kohlbergian moral atmosphere theory (5.3.1)	n= 33
▪ section 2: theories of organizational moral development (5.3.2)	n= 9
▪ section 3: Snell's moral ethos theory (5.3.3)	n= 7
▪ section 4: the ethical climate model of Victor and Cullen (5.3.4)	n= 126 (-3*)
▪ section 5: the cultural approach of Treviño (5.3.5)	n= 10**
▪ section 6: alternative approaches to moral climate theory (5.3.6)	n= 45
▪ section 7: tangential use of moral climate concepts (5.3.7)	n= 65

* three publications of Treviño et al were included in both section 4 and 5, while counting only once in final overviews

**not included were those texts that were published twice or more (as an article and subsequently as a book chapter)

In sum, about 300 publications were discussed (including those publications discussed through other publications, for instance, dissertation through article), and some less (some contributions were published twice, sometimes with a slightly different contents). Furthermore, ten publications were not available (mostly, unpublished dissertations). Therefore, there is the complicated total amount of publications discussed (some of which only mentioned, many discussed in much detail) of ±300, a nice "round figure", after all. By the way, the table above shows the substantial dominance of the model of Victor and Cullen.

Only the essential characteristics and core points of criticism are summarized, since every detail of the ±300 publications reviewed can be found on the CD-ROM that accompanies the printed text. Furthermore, the seven sections each have their own manner of representation, sometimes mainly quantitative (sections 4, 6, and 7), sometimes in much detail when it concerns essential contributions (of, for instance, Snell, Victor and Cullen, Treviño, and Cohen).

5.3.1 Kohlbergian moral atmosphere theory

Of special interest in this study is the elaboration of Kohlberg's theory about individual moral development into an organizational theory. This theory of '*moral atmosphere'* and '*moral culture'* in a developing *'just community'* was formulated especially with respect to schools, prison, and Israeli kibbutzim. An important reason for this elaboration was to provide Kohlberg's theory of individual moral development with a sociological dimension, to meet the criticism that his theory was exclusive an individualistic psychological theory, lacking any reference to larger social context that also might influence individual moral reasoning and acting. More in particular, the broadening of attention to moral action (and not only moral reasoning) was an impetus for the development of the moral atmosphere concept. Institutional properties such as the moral atmosphere of the classroom and the prison appeared to be an important dynamic factor in moral education, a factor to be influenced as well, for proper results of correctional and moral education programs (Kohlberg, 1970/1983; Scharf, 1971; Kohlberg, Scharf & Hickey, 1971; Kohlberg, Kauffman, Scharf & Hickey, 1973).

As early as 1970 (reprinted in 1983), Kohlberg proposed a theory on moral atmosphere and the just community approach to moral education. He describes the so-called hidden curriculum of the school in terms of moral atmosphere. In an essential quote from Durkheim's *Moral Education* (1961, 231), Kohlberg describes the impact of the school environment (and in fact paves the way for a Stage 3/4 moral climate type). According to Durkheim, Kohlberg (1983, 62) quotes,

> "There is a great distance between the stage in which the child finds himself as he leaves the family and the one toward which he must strive. Intermediaries are necessary, the school environment the most desirable. It is more extensive than the family of the group of friends. It results neither from blood nor free choice but from a meeting among subjects of similar age and condition. In that sense, it resembles political society. On the other hand, it is limited enough so

> that personal relations can crystallize. It is groups of young persons more or less like those of the social system of the school which have enabled the formation of societies larger than the family. Even in simple societies without schools in the family".

However, Kohlberg rejected the elaboration of these ideas into the promotion of collective national disciple. Instead, growth of moral character should be the aim, as a sequential progressive growth of basic principles of moral reasoning and their application to action (1983, 66, 69). Kohlberg (1983, 74) outlines his stage theory and applied it to developing moral education, basically centering around the discussion of both real and hypothetical moral conflicts, in order to move students one stage above their own stage of moral reasoning. In fact, Kohlberg constructed an explicit intellectual curriculum of moral education as the vehicle for moral growth. As is the case in many contributions to moral climate theory, there is a pivotal role for leaders, be it teacher, principals, or managers. Essential to the hidden curriculum is the moral character and ideology of the teachers and principal as these are translated into a working social atmosphere that influences that atmosphere of the children. According to Kohlberg, (1983, 75),

> "the transformation of the hidden curriculum into a moral atmosphere3 is not a matter of one or another educational technique or ideology or means, but a matter of the moral energy of the educator, of his communicated belief that his school or classroom has a human purpose. To get this message across, he may use permissiveness or he may use discipline, but the effective moral educator has a believable human message".

This message cannot be loyalty to the school or to an ideological doctrine of education itself, but should be moral maturity as the principled sense of justice what this end must be (in terms of Stage 5 of even Stage 6 morality). The teaching of justice requires just schools as a basic context of justice by making the hidden curriculum an atmosphere of justice (1983, 76).

In other earlier publications, definitions were simple. Moral atmosphere was defined as the perceived level of justice in the prison, the aggregate of perceptions (Scharf, 1971, 2; Kohlberg, Scharf & Hickey, 1971, 6).

Moral development was considered to be promoted by various conditions, including

- provision of enhanced opportunities for role-taking and social participation,
- participation in group and institutional structures perceived as fair or just,
- exposure to cognitive conflict, to contradictions in one's own moral views and in their relations to the views of others, and
- exposure to moral reasoning one stage above one's own.

Experiments were guided by two questions: (1) is it possible to conceptualize the justice structure of the prison in terms of moral stages; (2) do inmates agree in perceiving justice practices and moral obligation within the prison at the same moral stage, regardless of the inmates own stage of judgment on outside dilemma's (Scharf, 1971; Kohlberg, Scharf & Hickey, 1971, 4)?

Programs were successful, as inmates developed to a Stage 3 level of moral reasoning, while stressing the point of 'maintaining the respect of the house'. This implied that most inmates have come to believe that the 'model cottage' is their political community, a place that must be protected as well as the people within it, since to many inmates the rules of the model cottage

3 The first time the term moral atmosphere pops up, apart from the announcement in the paper's title.

were the first social institutions with which they have identified and definitely are the first which they have actively maintained. The program accomplished a fair self-governing community operating within the constraints of a larger total institution and correctional system (Kohlberg, Scharf & Hickey, 1971, 11-12). With these experiments, 'the just community approach' in moral education was launched. *The Just Community Approach to Corrections: A* Theory (Kohlberg, Kauffman, Scharf & Hickey, 1975) offers a theoretical basis for the just community approach. It attempts applying the principles of moral development taken from the study of moral development in children to the prison situation. Point of departure is the observation that correctional institutions did not provide the kind of experience that would foster moral growth in their inmates. In order for this to happen, democratic situations have to be created in which staff and inmates can freely discuss moral issues and where staff are sufficiently aware of the nature of moral development that they can stimulate inmates to move to higher levels of moral reasoning and acting. This moral development approach implies establishing a democratic community, in which decisions are made, rules are set by staff and inmates together, and in which inmates in small living units have a responsibility for upholding the rules and settling conflicts in a fair and democratic way. Democracy is considered central to moral development, because the heart of morality is a sense of fairness and justice. A just community appeals to fairness at each inmate's stage but also represents ideas and actions at a level of justice somewhat above the inmate's, so that s/he can progress. Not only are some inmates and staff at stages 4 and 5, but the whole constitutional democratic process is basically a Stage 5 and 4 process, although it can be understood as meaningful and fair at lower stages (Kohlberg et al, 1975, 243, 247-248). The message is clear: to be effective as a prison, the institution should represent at least a Stage 4 moral atmosphere, while lower stages (notably Stage 1 and Stage 2) prove to be counter-productive (Scharf, 1971).

More in particular, four advantages of a just community approach to custody and rehabilitation can be specified (Kohlberg, Kauffman, Scharf & Hickey, 1975, 248):

1. Within the prison context, the seemingly inherent conflicts between rehabilitation and control can be adequately reconciled, as both can be seen as being based on principles of fairness to the inmate and fairness of the inmate through the group or community.
2. A fair environment and a sense of community are ends in themselves, as they make the lives of both staff and inmates better. It is expected that once a democratic environment is established, staff are free from the role of detective, orderer, and punisher, and can engage in more human interactions with inmates. Higher standards can be developed concerning inmates' and staff members' behavior towards each other and towards the community.
3. A just community approach promotes moral character development and responsibility in a threefold way: through participation in moral discussions and exposure to new and different points of view, through living in an atmosphere of fairness and developing relations of loyalty and trust, and by taking responsibility for making and enforcing rules on oneself and other members of the group.
4. A just community approach has also instrumental value: by promoting moral development rehabilitation, goals can be achieved. As inmates come to understand and accept the morality of their small 'just community' and to be concerned about its welfare, they come to better understand and accept the morality of the larger and not-so-just society to which they return, and to seek a different pattern of life in that society.

Though these ideas were practiced in correctional institutions, a broader application is both

possible and desirable. Advantages 2, 3, and 4 may well be gained in any labor organization, defendable on both ethical and practical grounds. A strong ethical argument is that a just community is worth achieving for its own sake (claimed as advantage 2).

The assumption that the justice structure of the prison could be conceptualized in terms of moral stages (just like individuals), led to a typology of five 'ideal types', loosely related to the moral stages (Kohlberg, Scharf & Hickey, 1971, 4):

Table 5.3.2 Five ideal types of moral atmosphere stages

1. Coercive Power Orientation (with the use of arbitrary personal power by staff without regard to fixed rule standards.
2. Instrumental Exchange Orientation (exchanges between staff and inmate elites)
3. Informal Norm Agreement (shared traditions, definitions and conventions between inmates and staff).
4. Structured Norm Agreement (staff and inmates bound by fixed rule standards).
5. Shared Principled Agreement (contractual definitions of rights with impartial adjudication of conflicts.

An important finding of these prison experiments led to the conclusions that the justice structure of the prison, at least in theory, could be conceptualized in terms parallel to the moral stages (Scharf, 1971, 6; Kohlberg, Scharf & Hickey, 1971, 6-7; Kohlberg, Kauffman, Scharf & Hickey, 1975, 254). In doing so, a distinction was necessary between moral competence and moral performance in order to arrive at proper assessment of the stage of moral reasoning, since individuals do not always use the highest stage of which they are capable.
The just community has strong moral developmental evaluative claims and a clear view on dynamical factors on which inventions are based. Three dynamical factors are discussed as being operative (Scharf, 1971, 7; Kohlberg, Kauffman, Scharf & Hickey, 1975, 248):

1. participation in moral discussions and exposure to new and different points of view involving higher stage reasoning,
2. living in an atmosphere of fairness and developing relations of loyalty and trust, and
3. taking responsibility for making and enforcing rules on oneself and other members of the group through role taking.

These dynamics are taken advantage of by implementing a number of elements of experience-stimulating moral growth Kohlberg et al 1975, 257):

1. *Role-taking opportunities*: through discussion of moral and personal issues each individuals are encouraged to present their point of view to others and to understand other points of view.
2. *Intellectual stimulation*: encouraging logical analysis of situations through optional discussion classes in psychology, sociology, Black history, et cetera.
3. *Responsibility* is stimulated by giving inmates actual responsibility for decision-making.
4. *Cognitive moral conflict* is invoked by discussion of moral and personal dilemmas in the community meetings, exposing individuals to other viewpoints and leads them to question and rethink their own positions.
5. *Exposition to the next stage*, up by clarifying, presenting, and supporting higher-stage reasoning by group leaders and inmates.
6. *Living in a community perceived as fair and concerned* is considered the most important element of the moral development program, and is the objective of the small discussion groups, of community meetings, and the daily interactions of officers and inmates.

These modes of intervention as such do not create a moral atmosphere (in an evaluative

meaning). According to Kohlberg, Kauffman, Scharf, and Hickey (1975, 258-260), the following conditions are involved in creating a moral community:

- establishing a community based on *democracy* and *fairness*.
- extending *responsibility* to inmates
- encouraging *collective* responsibility in addition to individual responsibility
- creating a *climate of trust*
- establishing a *social contract* and a *constitution*
- raising *the moral level* of the group
- establishing *staff authority*
- stimulating *individual moral decisions and actions*
- sharing *the principles and theory of the moral development approach with inmates.*

In terms of the format of the present study, intervention is not restricted to ethics training (ETR), but includes also organizational restructuring (ORS), policy development, exemplary management behavior and management development concerning the role of staff (EMB/MAD), implementation, and evaluation (POD), and evaluation of organizational goals and values (EGV)

The elaborations proposed by Power and Reimer

Near the end of the Seventies, moral atmosphere was elaborated further, starting two related texts of by Clark Power and Joseph Reimer (Power & Reimer, 1978; Reimer & Power, 1980). Both Reimer (1977) and Power (1979) wrote a dissertation on the subject of moral climate theory. Unfortunately, both texts were not available to for discussion in the present study. I assume that the contributions discussed below reflect their viewpoints appropriately. Power and Reimer (1978, 110) identified two distinct but related dimensions of a school's moral atmosphere: *the evolving normative values of the group* and *the sense of community*. In doing so, they proposed and explain a further Durkheimian turn in conceptualizing moral atmosphere by positing that these dimensions correspond to those two elements of Durkheim's elements of morality that he believed constituted the morally effective influence of the group: *the spirit of altruism*, which he basically saw as attachment to the group, and *the spirit of discipline*. Durkheimian ideas were merged with those of Dewey, who claimed that the intention of education is to stimulate simultaneously individuals to think and act more justly, and to create institutions that run more justly. The course of education is one of development, focusing indeed on the growth of students, however, to be considered as part of the larger development of society. In the just community approach, a shared democratic process of community building is involved, as democracy is a sine qua non for a just society. However, because democratic processes can lead to unjust decisions, democracy alone is not enough. Therefore, the school should also promote communal relations among members: they are to be "just communities". The concept of community refers to an ideal of society whose social relations are primarily regulated by norms of trust, intimacy, participation, and collective responsibility, while the stress on community calls for developing more caring and open relations and an attitude of responsibility for the welfare of the group as a whole (Reimer & Power, 1980, 305). In this representation of the school as a just community, the school is explicitly taken as both a means and an end. The significance of the conception of moral atmosphere lies in its focus on the normative dimensions of democratic education. This conception implies the recognition that the move to a democratic community needs to begin

with and be informed by a normative vision of how people ought to live in society (Reimer & Power, 1980, 320).
Using the moral atmosphere as an intermediate concept between moral judgment and moral action, Power and Reimer (1978, 111) formulated five questions in examining the moral atmosphere of any school: (1) What are the normative values? (2) What sense of community has developed? (3) What is the moral stage structure of the shared perceptions of the collective normative values and the sense of community? (4) How established and influential are the collective normative values?, and (5) How established and influential is the sense of community?

Power and Reimer intended to derive a stage hierarchy for the assessment of moral expectations of group members that correspond to Kohlberg's stages of moral judgment. Power and Reimer proposed the concept of *collective normative value*, expanding the concept of norm to include its value as well, *norm* being defined as the expectation of a concrete action in a specified set of circumstances, while *value* referred to the intentional of motivational aspect of the expectation. They considered normative value actually as a complex of norms that share a common value that provides the motivation for upholding the norms. Collective normative values are identified by asking individuals not what they as individuals think ought to be done, but what the group expects ought to be done. Concerning this part, moral atmosphere seems to be the convergence of what individuals perceive to be the collective normative values of the group (Power and Reimer, 1978, 111). However, moral atmosphere involves another construct: *sense of community*, referring to the shared valuing of the school as a community. This means valuing the solidarity, group consciousness, and commitment to communal living making up the ideal of community. Valuing the school as a community should be differentiated from valuing the school for its facilities, personnel, organizational aspects, or academic program. The sense of community provides a justification for the collective normative values: individuals express obligations to care, trust, and assume collective responsibility because they believe following these obligations will build the community. The sense of community describes what the school should *be*, while the collective normative values prescribe how members of the school should *act* (Power & Reimer, 1978, 112).
The next step is identifying stages of the collective normative values and the sense of community, with stage structure referring to those agreed upon ways for resolving conflicts involving group members or the group as a whole. Three stage structures were identified (in high school samples), isomorphic with Kohlberg's stages of individual moral judgment, and therefore numbered in the same way (Stage 2, 3 and 4; no Stage 1 was found). Three stages of the sense of community were identified also, their structure typifying justifications involving a shared valuing of community for conflict resolution. Thus, a typology of moral atmospheres is constructed analogous to the stages of individual moral development, based on familiar stage descriptions, as the table presented below shows (Power & Reimer, 1978, 112-113).

Table 5.3.3 Stages of collective normative values and the sense of community valuing

collective normative values	sense of community
Stage 2	**Stage 2**
There is not yet an explicit awareness of collective normative	There is no clear sense of community apart from exchanges

values. However, there are generalized expectations that individuals should recognize concrete individual rights and resolve conflicts through exchange.	among group members. Community denotes a collection of individuals who do favors for each other and rely on each other for protection. Community is valued insofar as it meets the concrete needs of its members.
Stage 3 Collective normative values refer to relationships among group members. Membership in a group implies living up to shared expectations. Conflicts should be resolved by appeal to mutual collective normative values.	**Stage 3** The sense of community refers to a set of relationships and sharings among group members. The group is valued for the friendliness of its members. The value of the group is equated with the value of the collective normative expectations.
Stage 4 Collective normative values stress the community as an entity distinct from its individual members. Members are obligated to act out of concern for the welfare and harmony of the group.	**Stage 4** The school is explicitly valued as an entity distinct from the relationships among its members. Group commitments and ideals are valued. The community is perceived as an organic whole composed of interrelated systems that carry on the functioning of the group.

How valid is the isomorphic move of describing stages in moral atmosphere (including collective normative values and sense of community) in terms of individual moral development stage descriptions? According to Power and Reimer (1978, 112, 114), the perplexing problem is how it is possible to speak about stage structures of shared expectations and values that are distinct from individual stage structures. How then is it possible to differentiate collective stages from individual stages when analyzing individual statements in an interview or in a community meeting? Students from Stage 2, 3 and 4 did have overlapping perceptions of the school's collective normative values and sense of community, as findings indicated that there is in cluster a content of moral reasoning that is shared among students from different stages. Power and Reimer (1978, 114) maintain that this shared content lends itself to stage assessment. Individuals can rate a moral atmosphere as reflecting a higher stage than their own moral functioning, because this higher stage is recognized, although not fully understood. In the same way an adult functioning at Stage 1 can and will know that there are laws, without fully understanding and endorsing them.

With regard to the fourth and the fifth question formulated above (that is, how established and influential are the collective normative values, and how established and influential is the sense of community?), a phasing of institutionalization is supposed, each phase marking a progressive collectivization and strengthening of a normative value. Collective normative values evolve from being proposed to being finally accepted at the end of a meeting and appealed to thereafter as prominent and influential common expectations for action (Power & Reimer, 1978, 115). In the same sense, the evolving of the shared sense of community is supposed. That is, the phases of community chart the progress of the group committing itself to the ideal of community and taking steps to build one. In this respect, a very complicated theory about moral atmosphere can be constructed, as we shall see in the discussion on later contributions to moral climate theory from a Kohlbergian perspective.

One special feature of the approach of Power and Reimer should be noted here, concerning their unit of analysis. Regarding to collective normative values this seems to be the group, and the level of analysis is that of the individuals and their perceptions. This means that moral atmosphere is in fact considered a group attribute, or a perception of that attribute, and not so much an organizational property. Power and Reimer (and Kohlberg as well) did not conceptually

differentiate sharply between group moral atmosphere and institutional moral atmosphere (at the organizational level). Therefore, they run the risk of not grasping possible inconsistencies and even conflicts between the group level and the organizational level of the institution taken as a whole.

In discussing the *ontological* status of the moral atmosphere concept ('what kind of a thing is a moral climate?'), Reimer and Power (1980, 307-309) suggest that "community" and "moral atmosphere" exist in the shared perceptions of the members, though their social reality can be felt in how they guide the members' actions within the group. They appear as qualitative group characteristics, akin to the group's sense of identity and moral purpose. Furthermore, Reimer and Power add a third scale to their moral atmosphere model: *phases of the collective norm*. Development along the lines of the seven phases of the collective norm brings the school's moral atmosphere into being in which school members are acting on some shared sense of "what would be best for the community", this taking the community as their end and using the democratic process to bring that idea of community into existence.

Table 5.3.4 Phases of the collective norm

Phase 0: No collective norm exists or is proposed
Collective norm proposal Phase 1: Individuals propose collective norms for group acceptance
Collective norm acceptance Phase 2: Collective norms are accepted as a group ideal but not agreed to. They are not acknowledged as expectations for behavior (a) some group members accept ideal ; (b) most group members accept ideal Phase 3: Collective norms are accepted and agreed to but are not yet acknowledged as expectations for behavior. (a) some group members agree to collective norm (b) most group members agree to collective norm
Collective norm expectation Phase 4: Collective norms are accepted and expected (naive expectation) (a) some group members expect the collective norm to be followed (b) most group members expect the collective norm to be followed Phase 5: Collective norms are expected but not followed (disappointed expectation) (a) some group members are disappointed ; (b) most group members are disappointed
Collective norm enforcement Phase 6: Collective norms are expected and upheld through expected persuading of deviant to follow norm. (a) some group members persuade ; (b) most group members persuade Phase 7: Collective norms are expected and upheld through expected reporting of deviant to the group. (a) some group members report ; (b) most group members report

Reimer and Power (1980, 309) discuss the relation between "norms" and "moral atmosphere". In their attempt to make concrete what they mean by a school's moral atmosphere, they reason that the specific *expectations* members have of one another for how to behave in the group, give a group (or a social world) its particular moral characteristics. Reimer and Power refer to two types of norms whose phase evolution they have traced. They describe *norms of order* (discipline) and *norms of community* (attachment), the former dealing with the rules of appropriate school behavior (like not stealing property, or using drugs during school hours), and the latter dealing with ideal forms of relationship, like caring for others (intimacy), being trustworthy, participating in the program (commitment), and taking responsibility for the collective's welfare. In their research,

they traced the evolution of four norms, concerning integration, property, drugs, and attendance. The evolution of the norms of order allows for the smooth organizational functioning of the school, while the evolution of the norms of community allows for a sense of community to emerge in the school. They both evolve through the democratic process, described in terms of discussions of how the school should be run and how the members should act in relation to one another and the group as a whole.

Contrary to their first text, Reimer and Power (1980) did not propose a moral climate typology. Instead, they formulated an ideal image of moral atmosphere, a preferred end-state with ameliorative overtones.

Empirically, moral atmosphere was assessed through three sources of data: transcripts of weekly community meetings, interviews with individual students about the school and observations of student-faculty interactions in different situation throughout the school day. These data were used to form a composite picture of the moral atmosphere and to identify the school's specific collective normative value and its particular sense of community.

Concerning moral climate *evaluation*, Power and Reimer take their criteria from Kohlberg's theory of individual moral development. However, in the second text, *Educating for Democratic Community: Some Unresolved Dilemmas* (1980, 304) Reimer and Power give clues concerning a more pragmatic criterion of evaluating moral atmosphere. These clues are already formulated by Kohlberg (1969, 404), when he tried to get a grip on the effects of the structure of a particular social world to individuals' moral reasoning and acting. A theory of "match" in morality should account for the effects of inputs of moral judgment and moral action at particular stages. In its broadest sense, the match problem is the problem of the fit of the individual's ideology to his world. Stage 2 "fits" a slum of jail world, Stage 4 the traditional army world, whereas Stage 5 fits the academic and bureaucratic worlds. In this regard, the changes of "world" characterizing adult socialization may require the same types of theoretical analyses as those of childhood. This "matching issue" can be understood in two ways. A first, descriptive, reading implies that individuals adapt their level of moral reasoning and acting to their environment (put aside the tentative and rather questionable moral stage characterization of these environments). A second, evaluative, reading leaves open the possibility that adaptation to a certain environment can be adequate. In this second reading, it is far from self-evident, that moral development to higher stages is justifiable. On the contrary, it can be held that is justifiable to adapt individuals to the environment they have to live in. When it comes to school democracy, adaptation to Stage 4 is adequate, while at the same time the moral atmosphere of the school is turned into Stage 4 as well, preparing them for responsible positions in society. The entire idea is that moral educators should prevent a real-life social world that operates at a high stage of moral functioning, while students participating in that world would be motivated to construct more adequate modes of reasoning and action to "fit" in that environment. However, taken from a pragmatic point of view, what is wrong with adapting prison inmates to the Stage 2 world they come from and return to, thus preventing them to develop an unmanageable moral surplus? Within the context of Kohlbergian paradigm, this second, evaluative, reading is not a conceivable line of thought. Nevertheless, as was discussed in chapter 4, the issue of *adequate morality* (in connection with tasks and assignments, and other features of the environment) is not meaningless.

Finally, Power and Reimer (1978, 318-319) offer suggestions for *intervention*, first of all, ethics training for students and staff (ETR/EMB/MAD), and of course, focusing on ethical issues and improvement of communication about ethical issues (FEI/IOC). In their second text Reimer and Power (1980, 318) also pointed at some essential issues concerning the establishment of a just community. Few of the participants in just community programs have grown up or been educated for living in community. As a result, there are many existing social patterns that participants bring with them to community building that stand in the way of acting communally, making concrete guidance necessary for those who were lagging in ability to participate in a just community (COG).

Kohlberg's application of moral atmosphere theory

In a number of related publications, Kohlberg elaborated the moral atmosphere concept, building on his own research upon that of Power and Reimer, as it seems. In a lecture delivered in 1979, *The Meaning and Measurement of Moral Development,* Kohlberg (1981b) gives a concise account of the state of the art of moral atmosphere theory at that moment. Essential is the 'Durkheimian turn' in conceptualizing moral atmosphere while introducing environmental factors in moral development theory to meet the critique labeling Kohlberg's theory as individualistic. Just as essential is Kohlberg's broadening the initially narrow conception of the moral domain as moral reasoning (neglecting moral emotion and moral action) to moral action, specified as "the process by which people arrive at moral decisions and take action on the base of those decisions" (Kohlberg, 1981, 35). Instead of assessing moral reasoning *competence* ('what should/ought someone to do morally in a particular hypothetical situation?'), moral *performance* became a central point of attention ('what would or did you do in an actual situation'?) by studying the processes by which people resolve the dilemmas that they actually face in their lives (Kohlberg, 1981, 36). This means that hypothetical dilemmas are abandoned in favor of real life dilemmas when assessing moral reasoning and moral performance. The important move Kohlberg makes is recognizing that individual moral action usually takes place in a social or group context and that this context usually has a profound influence on moral decision making of individuals. Individual moral decisions in real life are usually made in the context of group norms or group decision-making processes. Moreover, individual moral action is often a function of these norms or processes. Moral decisions are dependent in large part upon a collectively shared definition of the situation and of what should be done about it. Decision-making is more a reflection of the moral atmosphere than of present individuals' stage of moral development (Kohlberg, 1981, 37-38). As Kohlberg (1981, 38) puts it:

> "The realization of the important role that moral atmosphere or group norms play in individual moral action has led us to hypothesize that in many cases the best approach to moral education is one that attempts to reform the moral atmosphere in which individual decisions are made. This is the hypothesis that has guided our interventions and research in schools and prisons".

Based on this assumption, the educational interest shifted towards improving the moral decisions of the group, of the classroom community as such by developing the shared norms and expectations of the school community, instead of focusing only upon individual moral change. Kohlberg expected that such direct efforts to raise collective moral level would stimulate

individual moral judgment advance, and that raising the group level would have an effect on the actual moral conduct of the students.

This complementation of moral development theory with atmosphere theory revealed influences of Lewin, Durkheim, and Dewey (Kohlberg, 1981, 39). When, according to Lewin, individuals are committed to a group that decides to change its values, individual value change will occur, on the conditions of strong group cohesion and shared attraction to the group. Lewin, however, did not provide an explicit conceptualization of the moral dimension of the group and its effects on values and attitudes. Durkheim stresses the moral dimension of the group: real-life moral judgments and acts spring directly from the experience of group life. Furthermore, the spirit of discipline and the moral norms and rules bind and obligate us, because they are socially shared and embody the authority of the group that holds them. Thus, the development of one's morality depends upon group membership in a group whose authority he respects and with which he feels strong solidarity. Durkheim (1961, 148) considered the school as an important and even necessary institution for moral development for its intermediating function between the family and the group, because only in the school the spirit of discipline, respect for the rules and duty can develop. Development of commitment to collective ends and of feeling and affection for the collectivity can only arise in schools with a certain degree of impersonal regulation, and not in the family where solidarity is based on blood ties, intimate relations, and personal affection. To build morality, the classroom must have two characteristics: formal rules that embody group authority, and strong group cohesion or an altruistic sense of community and attachment to the group. These two dimensions of a good moral atmosphere Durkheim considered dependent of the teacher's wise and moral use of authority including collective sanctions, implying an authoritarian character of this approach: the moral nature of the group partly depends on the moral authority of the teacher, representing the authority of the group (Durkheim, 1961, 239).

Kohlberg's definition of the elements of morality, of the spirit of discipline and duty, the spirit of altruism, aspiration, and liberty, presupposed Stage 4 moral reasoning, breathing a communitarian ideology that says that the ideal human society is predicated upon the sharing of resources, values, goals, interests and even power (1981, 40-42). The influence of Durkheim can also been noticed in the way moral atmosphere is conceptualized. More and more, Kohlberg seems to consider moral atmosphere explicitly as an organizational property or attribute, with a supra-personal objectivity, in a Durkheimian sense (as a moral fact). Furthermore, the claim can be made that each type of moral atmosphere (as described in stage terms) has its own implied organization theory, that is conceptualization of what an organization (or institution like schools or prisons) is like: the conceptualization of organizations is stage-dependent and has real consequences. Kohlberg has also introduced an implicit *functional* element in his moral atmosphere theory: developing moral atmosphere serves an intermediating function in individual moral development and in promoting and maintaining a just society. It can be defended that in the just community approach schools are expected to have a moratorium-like function: a more or less safe place for practicing and preparing for life in society at large. In this way, it is a function of schools (and prisons) to make citizens who are more just and democratic and will make (schools and) society more just in a progressive spiral (Kohlberg, 1981, 51).

Finally, the influence of Dewey concerns the emphasis on the developing of morality through

role taking and reciprocal interaction, implying a need for decision-making based on equality and open interchange. A good moral atmosphere is a democratic and cooperative one (Kohlberg, 1981, 43).
Kohlberg defines 'moral atmosphere' rather loosely in terms of collective norms and generalized expectations believed to be shared with other members of the group, and in terms of collective moral level. These norms are not generated by individual structures of moral judgment, nor are they simply perceptions or reflections of society's laws. Kohlberg's major claim was that in some sense the group or collective norms developed in stages over time in a way distinguishable from the change in individual social and moral developments also going on (Kohlberg, 1981, 43). Nevertheless, the supposed stage character of moral atmospheres was, at least in the beginning, conceptualized in terms of the stage descriptions from individual moral development. The similarity was reflected in the way stages of collective normative values and the sense of community are described, as is shown in *table 5.3.5 Stages of collective normative values and the sense of community valuing,* presented above in the discussion of the text of Power and Reimer (Kohlberg, 1981, 47). Despite these scales, no explicit typology of moral atmosphere was constructed.
Empirically, Kohlberg joins the ideas of Power (1979), for instance using practical discussions on actual real life dilemmas and moral experiences. The structural analysis of moral atmosphere relied on three forms of data: transcripts of the weekly community meetings, interviews with students about the nature of the school, and interviews about recurring school-relevant moral dilemmas. The major hypothesis mentioned above, concerned the development of group or collective norms in stages over time in a way apart from ongoing individual social and moral development (Kohlberg, 1981, 43).
From an *evaluative* perspective, Kohlberg uses the developmental criterion that is inherent in his stage theory. Furthermore, Kohlberg seems to be aware of a pragmatic contingency issue when making an important remark on the moral qualities of society out there. Kohlberg asks what the situation is, where students have a school community with Stage 4 or 5 collective norms of justice and then go out to the world where these norms are not shared? According to Kohlberg (1981b, 51) a higher stage of individual moral reasoning retains, as well as a history of action in terms of these norms, and the ability to help make or move groups of which the person is a member to a higher stage. Again, Kohlberg refers to Dewey's vision on schools. Moreover, why do not all institutions have such an assignment, apart from their primary goals? The functional impact of promoting moral atmosphere is emphasized.
From an *interventional* perspective, the role of teachers and staff are considered as important dynamical factors, especially in their exemplary behavior as leaders in exercising authority and stimulating moral discussion (EMB). In order to develop exemplary behavior, staff is trained (ETR/MAD) and policies are developed in order to implement organizational goals and functions (POD; EGV; ORS).

Kohlberg's contribution *High School Democracy and Education for a Just Society* (1980) seems to be only of tangential interest, as it does not deal explicitly with moral atmosphere theory (already described in Kohlberg, 1981b, referred to as Kohlberg, 1979). However, Kohlberg speaks about moral atmosphere implicitly, in terms of collective norms (1980, 46), while referring to

Durkheim's ideas of collective education in terms of respect for rules and altruistic attachment to the social group (1980, 53-54). Important is the shift from moral educational efforts directed toward the highest or principled stages to more recent efforts oriented toward creating a sense of justice and community in students at the intermediate or conventional stage of moral judgment, implying a reset of moral education pretensions. An important part of this contribution contains a discussion of moral stages and of the role of schools and other secondary institutions in preparing youths to this Stage 4 world by learning to participate in the school as an institution. The school is, like the government, a bureaucratic or impersonally rule-governed organization stressing competitive merit or achievement. Through it, rather than directly through the family, children learn to respect general and impartial rules and to be concerned about collective goals by offering chances in practicing live democracy. Here again, Kohlberg alludes to an in-between Stage 3/4. As in Dewey's view, the school is seen as a necessary bridge between the family and the outside society in providing experiences of democratic community, not only in the sense of Stage 4 citizenship, but also for developing some awareness of Stage 5 principles of constitutional democracy. Furthermore, Kohlberg offers a defensive (negative, as he called it) argument for a just community approach: bureaucratic-authoritarian high school governance actually teaches alienation and ignorance about a democratic society. Instead there should be a consistency between the principles of democracy being taught (that is, learning to function in a political-legal structure if representative democracy), and the actual process of education, under pain of distrust in both democratic principles taught and education. Education must authenticate these central principles of democracy and apply them to the educational process, by means of providing freedom of choice, intellectual openness, and active participation. Kohlberg concludes that a civic education for civic participation ideally should include two experiences:
1. the direct democracy of a smaller school community found in the alternative school for the development of fourth-stage concepts and attitudes of community;
2. the experience of participation in the larger community governed by a mixture of representative democracy and rule-governed bureaucracy for the generalization of such attitudes to a participatory attitude to the wider society (Kohlberg, 1980, 35-37).
Do these considerations imply that the organizational perspective is an additional and even necessary stage in between Stages 3 and Stage 4? Furthermore, one might asked why not any organization as adult communities practices these principles.

From an *evaluative* point of view, Kohlberg reproduces his point of view already put forward in the 1979 lecture (1980, 46). Again, Kohlberg refers to Dewey's vision on schools. Again, why do not all institutions have such an assignment, apart from their primary goals? As we will see in subsequent sections, this element of Kohlbergian (moral atmosphere) is ignored or even denied almost completely.

From an *interventional* perspective, Kohlberg explicitly embraces a moral developmental approach, starting with meaningful goals and real life (instead of hypothetical) moral dilemmas in classroom discussions while aiming at the so-called "Blatt-effect" in small-group discussion: students would comprehend and assimilate reasoning by peers at the next stage up while discarding reasoning by

peers at the stage below (Blatt & Kohlberg, 1975). Three elements are essential, constructing a curriculum for moral education that includes controversial moral dilemmas (ETR), classroom construction based on a mixture of students of different stages, and developing teacher behavior (MAD). Kohlberg explicitly mentions the role and contributions of teachers, as well as ways of approaching them. Staff roles are multiple: process facilitator, inquiry-question asker, reflective-active listener, facilitator of democratic procedure, and the role of advocate (EMB). Other interventions concern the goals, values, policies, and organization of the school as an institution (EGV; POD; ORS).

The third contribution, *Moral Stages: A Current Formulation and a Response to Critics* (Kohlberg, Levine & Hewer, 1983) contains a making up of the balances of moral atmosphere so far. This text was included in another publication Kohlberg (Kohlberg, 1984, 263-270). Here, the 1983 version of the text is used for references. The study follows the formulations of earlier texts (notably Kohlberg, 1981b), and briefly discusses the Cheshire experiment and the text of Power and Reimer (1978), referring to a (then) forthcoming text of Higgins, Power and Kohlberg (1984) on research in a selected number of high school (discussed below). Moral atmosphere can be a very strong force in determining moral behavior, holding individual moral judgment stage constant. Moral atmosphere can influence the growth of individual moral judgment, but also block development, in the case of low stage moral atmosphere. Essential here is the notion that norms shared by the group can be discriminated from individual moral judgment while describing moral atmosphere in terms of collective norms and sense of community. Central in the analyses of moral atmosphere is the observation and definition of collective norms. Norms shared by the group can be discriminated from individual moral judgment in both group discussions and in moral atmosphere interviews. Moral atmosphere is explained in Durkheimian terms: norms are prescriptions arising from shared expectations in a group. In addition to collective norms, there is the sense of community or the sense of group solidarity and cohesion attained in a group. A straightforward definition of moral atmosphere is presented (Kohlberg, Levine & Hewer, 1983, 55): "It is this sense of community, solidarity and cohesion that we call moral atmosphere".

Concerning collective norms, Kohlberg takes the position that the collective stage interpretation and justification of norms somewhat distinct from the individual's moral stage. In addition to the degree of collectiveness of the norm and its stage, the moral atmosphere concept also defines group phases of the institutionalization and internalization of collective norms. The typification of stages of collective normative values and the sense of community valuing are identical to the descriptions presented above. The description of the phases of the collective norm is extracted from Reimer and Power (1980, 308-309, see above). New however, is the further elaboration of the phases of the degree of community valuing (see table below).

Table 5.3.5 Phases of the degree of community valuing

Phase I:	*Instrumental extrinsic* The school is valued as an institution that helps the individual to meet his or her own academic needs.

Phase II:	*Esprit de corps' extrinsic* The school is valued an institution that helps the individual and the individual feels some loyalty toward the school as manifested in team spirit and support of teams or groups in school.
Phase III:	*Spontaneous community intrinsic* The school is valued as the kind of place in which members feel an inner motivation to help others in the group community and the community generates special feelings of closeness among members.
Phase IV:	*Communal intrinsic* The school as a community is valued for its own sake. Community can obligate its members in special ways and members can expect special privileges or responsibilities from the group and other members.

Not clear is whether these phasing represents a real logic of development, or the dynamic of development. The phases are announced as examples of phases as they emerged from the research findings in high schools, suggesting a dynamic and not a sound logic of development. Because of the summarizing nature of this text, there are few new notions, not *empirical*, not *evaluative*, and not from an *interventional* point of view. Moral atmosphere is evaluated in this text according to the criteria used in evaluating individual moral development. Kohlberg, Levine and Hewer (1983, 59) stress the results and explain why individual moral-stage growth is greater for persons in democratic settings in comparison with persons in traditional, stratified, and bureaucratic settings, thus revealing a preference (probably on moral grounds) for democratic settings. This text offers no new perspectives on intervention, though it stresses the conditions conducive to moral growth (Kohlberg, Levine & Hewer, 1983, 59). These include (a) a sense of degree to which moral discussion and taking into account others' viewpoints occurred within the school, (b) the extent to which subjects felt a sense of power and participation in making rules, and (c) the extent to which existing rules were perceived as fair. In terms of the codes of the format of the present study: EMB, ETR/MAD, EGV, POD, and probably, ORS.

The problem with Kohlberg's moral atmosphere theory is its lack of theoretical connection to organizational theory (apart from the initial application proposed by Higgins and Gordon, 1985, to be discussed later) and its laborious character when measuring the complicated features of moral climate through numerous scales and subscales. These scales include:

- Valuing the school/organization as an institution.
- Stage of Community (referring to the shared understanding of the community as a terminal value).
- Degree of Collectiveness (referring to the degree in which a norm is shared),
- Phase of the Norm (referring to people's commitment to seeing that norms are upheld).
- Stage of the Norm (referring to the way the meaning of the norm is shared).
- Content of the Norm (norms within a community, such as caring, trust, integration, participation, publicity, collective responsibility, substantive and procedural fairness, equity, and order).

Despite the range of new moral climate terms, the term 'moral atmosphere' remained also in use (Lovell, 1995; Schrader, 2004), though at times loosely defined, for instance, in terms of to 'the norms, values and meaning systems which students of a school share' (Høst, Brugman, Tavecchio & Beem, 1998, 47). Despite the use of terms such as moral climate and moral culture,

the authors have little attention for climate and culture theories, even when these theories were available (culture theory since the early Eighties).

Proceedings of the Just Community Approach

Moral atmosphere became further elaborated into the Just Community Approach. *The Relationship of Moral Atmosphere to Judgments of Responsibility* (Higgins, Power & Kohlberg, 1984) reports on an evaluation of the moral atmosphere of three alternative democratic high schools and their three companion high schools. The distinction between hypothetical and practical discussions is used, as well as the distinction between deontic or justice reasoning and responsibility reasoning as introduced by Gilligan in the analysis of individual moral judgment. The text describes and discusses the moral atmosphere of each school in terms of the existence and development of sociomoral collective norms and the valuing of community, and presents case studies and preliminary group results of some of the schools involved. Previous research is briefly discussed, again stressing the important role of moral atmosphere or group norms in individual moral action. In this report, judgments of responsibility and the moral atmosphere of democratic alternative high schools and traditionally governed high schools are compared. The hypothesis was formulated that the democratic school students would both make more responsibility judgments and make them at a higher stage than would the regular school. This hypothesis was based on two considerations. First, participatory democracy puts sociomoral decisions in the hands of the students, giving them a greater sense of responsibility for school-related actions. Second, the authors assumed participatory democracy to help creating a sense of the school as a caring community. Students would develop shared or collective norms of helping, of trust, and of active participation on behalf of the group, norms supported by a sense of community or of a valued sense of group solidarity and cohesion. Students' practical judgments of responsibility would derive from their perception of the moral atmosphere of the school, that is, from the perception of the school's norms and the school's sense of itself as a community. Based on Durkheimian ideas represented above, the classroom or school group is believed to create collective norms and attachments to the group that group phenomena *sui generis*. This implies that a Stage 3 collective norm is not the same as an average of individuals' stage judgments at Stage 3. The core notion is clear: in a school promoting moral development, collective norms would be formulated at a stage that was the "leading edge" for the group, and adapting to these norms would stimulate those students whose individual stage was lower to grow. Moreover, more basically, by building collective norms and ideas of community at a higher stage, morally better student action would be promoted.

Closely connected to *The Relationship of Moral Atmosphere to Judgments of Responsibility* is Kohlberg's 1985 publication *A Just Community Approach to Moral Education in Theory and Practice*. Kohlberg outlines and defends the 'Just Community Approach' in moral education, proposing extensions to other types of organizations, non-democratic, bureaucratic, and even authoritarian governed social organizations. The context of this just community approach is the concern for society, notably the realization of the 'fraternity' part of the three principles of the French Revolution (liberty, equality, fraternity). In this concern, the importance of community is stressed as a central moral idea, including the ideals of altruism or responsibility of persons to and for one another

and for participation in the affairs of the community. Background of this concern about youth's motivation and ability to actively participate in the larger democratic society is the rise of the so-called 'Me Generation'. In line with Dewey's views, Kohlberg expresses the need for school democracy to educate a sense of responsible altruism or social responsibility to participate in the civic community for the public good. Democracy in the school is considered a means and a necessary bridge between the family and the outside society in providing experiences of democratic participation and community leading to the development of social responsibility. The importance of society for the development of the self is emphasized by referring amply to theories of Mead, Baldwin, Royce, and Erikson about processes of communication and imitation. These processes lead to development in both definition of a self and a reciprocal definition of the social other, including the virtue of loyalty (fidelity to another person, a group, a community, or a cause) (Kohlberg, 1985, 38-41).

At this point, Kohlberg reports of important differences between the ideas of Dewey and Durkheim. Kohlberg recognizes the inconsistency that exist between his (and Dewey's) ideas on 'just community' and Durkheim's theory of moral education. Dewey and Durkheim emphasize both the non-didactic approach of moral education. Instead moral education should consist of the creation of a (small) school community that functions as a model of and for political society that students are to live in now and later. In other words, the school community is a practicing place for student as aspirant citizens.

An important difference however, is that Dewey (and Kohlberg) prefer a democratic and participative society, whereas Durkheim's favorite society is based on authority and loyalty. Put in terms of Kohlberg's stage theory, his and Dewey's approach point at post-conventional morality, while Durkheim's approach fixes at Stage 4 conventional morality, based on his central conceptions of society. These conceptions are (1) that the group, society, or community is a whole or collectivity greater than the sum of its individual parts, and (2) that the experience of membership in the whole induces moral sentiments and actions by the individual (based on a spirit of discipline and a spirit of altruism). In this contribution, Kohlberg's tries to come on terms with these Durkheimian principles by pointing at two essential philosophical mistakes made by Durkheim (discussed in the review on the CD-ROM in more detail), and questions Durkheim's view concerning the role of the indoctrinative aspects, ruling-out development to post-conventional morality, and the role of the teacher (1985, 46). In this text, Kohlberg also relates to the criticism of Habermas concerning the Just Community Approach that is not as formal and democratic as Kohlberg thinks (according to Habermas). It probably is rather optimistic and perhaps even illusionary when faced with authoritarian and bureaucratic institutional frames, a point considered important by Kohlberg. Another issue concerns Habermas' concept of ideal communication situation, with symmetrical interaction and open argumentation, on the condition of the absence of any constraints ('herrschaftsfreie Diskussion'). It may be questioned whether the schools included in the just community project have opportunities for real 'herrschaftsfreie Diskussion', because a lot of possible issues for moral discussion stay out of reach for the students (like matters of organization and curriculum building and evaluation). Even more so, this criticism applies to labor organizations that do not have education as their primary goal. Kohlberg agrees with Habermas that 'collective socialization' is

in the service of moral autonomy, instead of conformity and heteronomy. The aim is not compliance to group norms, but the creation of group norms and subsequently living them up on a base of consent. In other publications, Kohlberg presented a typology of autonomy, to be kept apart from stages of moral development (Kohlberg, 1984; Colby & Kohlberg, 1987). As this study is primarily on concepts of moral climate, this typology of autonomy is put aside for the moment.

A third study discussed in this section is *Democratic Moral Education in the Large Public High School* (Power, 1985). This study discusses in detail an experiment in participative democracy carried out in a large public High School (2000 students and 200 teachers). The leading question in this study is, whether this approach to school democracy also works in large schools, as previous programs got their application in small schools. Large bureaucratic and impersonal schools tend to have a negative impact on moral responsibility and moral behavior of students. In large schools, mutual cooperation and social cohesion are very limited, while care for students is almost absent (Power, 1985, 223). Essential is this study is the idea that school discipline cannot be treated only as problem of control; developing the moral atmosphere is complementary strategy. As the drift of this study overlaps largely with the two studies presented above, only little and specific attention is given here to Powers' study. Essential is the integration of democratic principles and cognitive developmental moral theory. Moral classroom discussions and democratic meetings aimed at individual moral development, while group development was an important means: the development of a moral atmosphere, defined in terms of institutionalized values and norms that create and maintain a moral community (Power, 1985, 220). Power also underpins Kohlberg's ideas concerning the role of the teacher as advocate of democratic principles and Durkheim's notion of the importance of the group for discipline and commitment.

In *The Relationship of Moral Atmosphere to Judgments of Responsibility,* moral atmosphere is again rather loosely defined in terms of collective norms and sense of community, these being a phenomenon sui generis. That is, a Stage 3 collective norm is not the same as an average of individuals' stage judgments at Stage 3 (though they are to be assessed in a parallel way). Moral atmosphere is used as in neutral descriptive way, moral atmospheres being evaluated as either positive or negative, depending on their characteristics. This text gives a detailed account of moral atmosphere theory and its constituting variables. Moral atmosphere is considered to consist of the *perception* of seven variables (as appeared in the case study).These include frequency of perceived prosocial choice for others, frequency of predicted prosocial behavior for others, median of collectiveness of norms (1-15), stage of collective norm as represented at median degree or above of collectiveness, modal phase of norms, median degree of community valuing (1-4), and median stage of community valuing (Higgins, Power & Kohlberg, 1984, 86-89). Variables 1 and 2 are the frequencies in percentages of students' perceptions of their peers' prosocial *should* choices and a prediction of whether their peers *would* actually act in the prosocial manner across the four school dilemmas. The variables 3, 4 and 5 are three related ways of characterizing the pro-social moral norms highlighted in the four dilemmas (to be specific: norms of caring or helping, of restituting collectively, of trusting and of upholding property rights, and of upholding the community's rules against drug use). The third variable, *degree of collectiveness of norms* is compared to earlier moral

atmosphere research a new variable, measuring the degree to which a norm is collectively shared by members of the school *because* they are members of the school. The scheme for categorizing norms by degree of collectiveness is given below in table 5.3.6. The fourth variable is the stage of collective norms as represented at median degree of collectiveness or above, based on the assumption that a group norm can be perceived as being at a certain stage that is not necessarily the same as the average stage of individual judgments relevant to that norm. The fifth variable (the modal phase of norms) is a measure of the strength of the expectations a group has that its norms will be upheld. The remaining two variables are variable six, the degree of community valuing, and variable seven, the stage of community valuing (as described earlier; Power & Reimer, 1978, 112-113).

To be complete, these perceptions of seven moral atmosphere variables are to be compared with six variables of individual moral judgments and choices. These variables include the median of classical hypothetical moral judgment stage, median of practical school deontic stage, median of practical school responsibility stage, proportion of all judgments that are responsibility judgments, frequency of prosocial choice for self, and frequency of predicted prosocial behavior for self (Higgins, Power & Kohlberg, 1984, 84-85).

Table 5.3.6 Degree of collectivity of norms

1	I-Rejection	No one can make a rule or agreement in this school that would be followed or taken seriously. *Descriptive.* I as an individual. No group constituency.
2	I-Conscience	An action in accordance with the norm should not be expected or demanded by the group because it should be left to each individual's free choice. *Prescriptive.* Could be descriptive. I as an individual.
3	I-No awareness	Does not perceive the existence of a shared norm concerning this issue and does not take a position pro or con about the group developing such a norm. Also does not have an individual norm concerning this issue. *Descriptive.* I as an individual. (No)[4] Group constituency.
4	I-Individual	An action should be performed that is in accordance with the norm where this action is not defined or implied by membership in the group. There is no suggestion that the task of the group is or should be to develop or promote the norm. *Prescriptive.* I as an individual. Constituency is universal, applied to people in the group as much as to people outside the group.
5	I-Individual ambiguous	An action should be performed that is in accordance with the norm where this action is implied by membership in the group. *Prescriptive.* I as an individual. Constituency is ambiguous but seems to apply to people in the group more than to those outside.
6	Authority	An action should be performed because it is expected or demanded by the teacher or administrator whose authority derives from his or her status or the law that makes the teacher a superior member of the group. *Prescriptive or Descriptive.* Teacher as authority. Group constituency.
7	Authority - Acceptance	An action should be performed because it is expected by authority or law with the clear implication that the group accepts this authority and thinks promoting and upholding the norm is in the interest of the group's welfare. *Prescriptive.* Teacher as authority. Group constituency. The speaker perspective is the individual speaker as if he or she and others have internalized the norm.
8	They-Aggregate (I disagree)	They, the group or a substantial subgroup, have a tendency to act in accordance with a norm in a way that the individual speaker does not share or disagrees with. *Prescriptive or Descriptive.* I as a member of the group. Group constituency.
9	I and they - Aggregate	They and I have a tendency to act in the same way in accordance with a norm. *Prescriptive or Descriptive.* I and they as members of the group. Group constituency.
10	Limiting or Proposing I	The speaker thinks the group or all members of the group should follow or uphold this norm better or should have this new norm. (This category overlaps with Phase I-proposing). *Prescriptive.* I as a member of the group. Group constituency.
11	Spontaneous - Collective	They or they and I think that group members should act in accordance with the norm *because* they feel naturally motivated to do so due to the sense of belonging to the group.

[4] The initial text gives group constituency; however, the revised version mentions no group constituency. Most likely the initial version is wrong, because it is quite logical to conclude that in degree 3 there is indeed no group constituency.

		Descriptive. They and I as members of the group. Group constituency.
12	They-Limited collective	They think that group members should in accordance with the norm without the speaker identifying himself or herself with that normative expectation. The speaker can differentiate his or her own normative expectation. *Prescriptive.* They as members of the group. Group constituency.
13	I and they - Limited collective	Both I and they, as members of the group, think that group members should act in accordance with the norm. *Prescriptive.* I and they as members of the group. Group constituency.
14	Implicit-We collective	The members of this group think that all of us should act in accordance with the norm. *Prescriptive.* Speaker perspective is a group member qua group member.
15	Explicit-We collective	We, the members of this group, think that we should act in accordance with the norm. *Prescriptive.* We (explicitly stated), members, qua members. Group constituency.

As was said before, this text gives an elaborated account of moral atmosphere theory and its constituting variables so far. Nevertheless, Higgins, Power, and Kohlberg (1984) did not construct a *typology* of moral atmospheres, perhaps because of their (too?) detailed network of variables, making a possible typology too intricate to construct. A tight texture of results is set up, hard to interpret, due to the ambiguous ontological status of moral atmosphere. It is an organizational property on the one hand, but on the other hand, also perceptions of the moral atmosphere expressed in terms of expectations or predictions of pro-social behavior.
Considering another item from the format for moral climate theory analysis, the *unit of analysis*, in this study the unit of analysis is somewhat unclear and shifting, as it is throughout moral atmosphere research. On the one hand the unit of analysis is the school as a whole (to make comparison to other schools possible), but on the other hand often is referred to classroom discussions, the group seeming to be the unit of analysis.
This next exhibits other remarkable features as well. It is the first text to show important divergences from the initial theoretical framework of Kohlberg, notably those reflecting the justice-care debate between Kohlberg and Gilligan. Individual moral judgment is no longer solely describe in terms of deontic of justice reasoning, but also in terms of responsibility reasoning as introduced by Gilligan, *responsibility* hypothesized to form a mediating bridge from a deontic judgment of rightness and justice to moral action. Gilligan suggested that in addition to a 'civic' deontological rules and justice orientation and a teleological or utilitarian orientation, there is a third 'responsibility' orientation, the responsiveness of a social self in a network of relations with other selves. On their turn, Higgins, Power and Kohlberg (1984, 79) suggested that deontic judgments of rightness are often imbedded in judgments of responsibility but that judgments of responsibility go beyond deontic judgments in a number of ways. Thus, adopting the care orientation implied a broadening of the repertoire of moral reasoning from classical justice orientation to care, responsibility, and altruistic orientations. Higgins, Power and Kohlberg (1984, 80) outlined, drawing on Gilligan, the elements of a responsibility orientation or a responsibility judgment. These judgments of responsibility go beyond deontic judgments in one of four ways:

1. Judgments that consider the needs and welfare of the other as an individual where the other's welfare seems to be a matter of a right or claim the other has or where it is a matter of not harming the other's welfare, is a deontic concern. Judgments that consider the filling the other's need when it is not based on a right or a claim or where it is a matter of enhancing his or her welfare, not just preventing harm, is a responsibility concern.
2. Judgments of responsibility consciously consider the involvement and implication of the

self in the action or in the welfare consequences to the other.

3. Judgments of personal moral worth (aretaic) of the kind of self the actor wants to be (perfecting character) or would be if he or she failed to perform the action (judgments of blame, guilt, loss of integrity) are judgments of responsibility when explicitly used as a basis for action rather than rights or obligations.
4. Judgments that use an intrinsic valuing of social relationships such as friendship or relationships of community as justification for performing a moral action are judgments of responsibility.

These judgments of responsibility can be arranged developmentally, as in the table below.

Table 5.3.7 Stages of responsibility judgments

Stage 1: Responsibility and obligation are seen as being the same. The person feels compelled to fulfill the commands of superiors or authority figures or the rules given by them.
Stage 2: Responsibility is differentiated from obligation from this stage onward. The person is responsible only to and for himself of herself and his or her welfare, property and goals.
Stage 2/3: There is a cognition that everyone is responsible to and for themselves, their welfare, property and goals. Persons who are irresponsible or careless lose some of the right to have themselves, their welfare, and so on, respected. For example, being careless mitigates the right to have one's property respected as well as justifying a lessened concern for the person's welfare.
Stage 3: Responsibility for the self is to do the 'good' thing, to live up to generally known and accepted standards of a 'good person'. Responsibility to others is limited to those with whom one has a personal relationship and is defined as meeting their needs or promoting their welfare.
Stage 3/4: Responsibility is seen more as a process for maintaining and enhancing feelings of closeness and affection in personal relationships. Being irresponsible is defined as 'hurting the other's feelings' within a relationship and is considered a valid basis for a lessened concern for the other's welfare.
Stage 4: Responsibility is seen as a mutually binding set of feelings and agreements among people in relationships, groups or communities. Being responsible for the self, means one must act out of dependability, trustworthiness, and loyalty regardless of fluctuating feelings among people. Irresponsibility on the part of those people within the same group does not mitigate concern for their welfare or rights by other group members.

A further divergence, closely connected to the adaptations as proposed by Gilligan, concerns the use of practical real-life dilemmas(including dilemmas of caring an responsibility), instead of hypothetical dilemmas, the former supposed to tap the low road moral performance, whereas the latter taps the high road of moral competence. The 'low road' of practical moral judgment is considered to be a product of 'moral atmosphere', defined as the interaction between his or her moral competence and the moral features of the situation, instead of a fixed property of an individual, his or her moral competence.

In *A Just Community Approach to Moral Education in Theory and Practice* Kohlberg (1985, 47) discusses the moral atmosphere concept, again in terms of social or collective norms (collective normative values) as generalized expectations, these being the context for moral reasoning. This description of moral atmosphere uses the same variables as presented in earlier studies: collective normative values and sense of community, phases of the collective norm and degree of collectivity of norms (explicitly crediting Power's 1979 dissertation). Notable is the omission of the phases of the degree of community valuing. Kohlberg did not include contingency variables in his design, thereby ignoring environmental factors (such as neighborhood of schools).

In *Democratic Moral Education in the Large Public High School* (Power, 1985) no new definition of moral atmosphere is offered. Real life dilemmas (in line with Rest's *Defining Issues Tests*) in written interviews considered more valid were used to get an impression of the moral atmosphere, here defined also in terms of perceptions of shared norms and values. The variables described above were also included in this study: sense of community, degree of collectivity of norms, phase of the collective norm, and collective stage (referring to tables presented in other studies, like Kohlberg, 1985). With regard to this last variable stage, descriptions from Kohlberg's theory of individual moral development are used, despite supposed (but not mentioned) difficulties (Power, 1985, 224-228).

Evaluative aspects are dealt with tentatively ("positive moral atmosphere",), though based on the evaluative aspects of individual moral cognitive moral development: the way the structure or stage of the collective reasoning is assessed, is parallel to the way the structure or stage of an individual's reasoning is assessed (Higgins, Kohlberg & Power, 1984, 99). Kohlberg (1985) offers no new perspectives, apart from evaluative remarks taken from Rawls' social contract theory (in terms of "ideal role taking" and "moral musical chairs", as a second order Golden Rule) and from Habermas ("ideal speech situation"). Doing so, Kohlberg gives Stage 6 as an ideal terminus a philosophical foundation, while maintaining the parallel between individual and collective moral reasoning stages.
Interventional aspects are much the same as in previous contributions, though there is an increasing focus on using real dilemmas and N+2 pros and cons in classroom discussions, as well as on heterogeneous classes. Furthermore, there is a stronger emphasis on the role of teachers and an intervening variable (either moderating or mediating), and hence, on teacher training (EMB/ETR/MAD), as well as on evaluating goals and policies (EGV) and policy development, implementation and evaluation (POD).

In *School Democracy and Social Interaction* (Kohlberg & Higgins, 1987) special attention is paid to the ideas of Durkheim (and Dewey) that were adopted in earlier studies (including his theory of discipline, see below) to overcome limits of Piagetian theory. One purpose of this text is to show the integration of Durkheim's moral theory and neo-Piagetian theory in the context of the Just Community Approach described earlier. This text represents a brief account of this Just Community approach, its aims and methods. School democracy represents not only a value in itself, but also has instrumental value as school must be a community to mediate students' learning and membership in the larger democratic community (a vision adopted from Dewey) (Kohlberg & Higgins, 1987, 117-118). The Just Community Approach involves efforts to develop more responsible moral action as well as improving moral reasoning: building democratic community norms leads to individual advances in both content and structure of moral reasoning and anecdotally to moral action (Kohlberg & Higgins, 1987, 124). The core idea is that responsible moral behavior is a function of the individual psychological disposition such as moral judgments of rightness and the moral self (the individual's inclusion of moral norms in his or her self-conception or identity). It is also a function of shared group norms and a sense of community, the moral component of school climate or group character. The Just Community

democratic programs encourage more egalitarian relationships between teachers and students, and among students: problems of the school are settled by open discussion in meetings with students and teachers together.

This study also indicates restrictions of the Just Community Approach: issues that are primarily ones of curriculum and administration rather than morality, are handled in more traditional authoritarian or bureaucratic ways. Moreover, differences between schools and society are discussed, in terms of types of rules and discipline, and (non)voluntary elements (1987, 118-119). In its essence, this text examines the limits of Durkheimian principles in the light of post-conventional morality, for instance, concerning the role of authority and discipline in terms of the inherent tension between justice and community (the point is discussed in more detail in the review on the CD-ROM).

What remains upright is the idea that, taken together, democratic community creates a fair and more positive and satisfying or self-enhancing ethos or atmosphere, not only valuable as an end in itself, but also with an educational value as a vehicle for citizenship education, despite recognized differences between schools and society (Kohlberg & Higgins, 1987, 117-118). The impact of the Durkheimian turn then is a diminished optimism for students reaching post-conventional stages, assuming that attaining Stage 4 is the best they can reach with the school as Just Community (departing initially from Stage 2 or 3), making the discussion about reaching Stages 5 and 5 mainly irrelevant. No wonder, that in this study, Habermasian notions that were present in earlier studies are abandoned. Instead, Kohlberg and Higgins (1987, 126-127) seek alliance with symbolic interactionist theories of Mead, of Baldwin, and of Royce using notions such as "generalized other", all stressing that the self is constituted through reciprocal interaction and communication with another self, an emphasis consistent with Piaget's theory, but also stressing the formation of the self through role membership in a group. This generalized other is largely constituted by general moral rules or principles. This implies a version of Durkheim's notion of the "superindividual nature" of the moral community, seen as shaped and shaping personal ideals and an ideal moral self (this an attribute version of moral atmosphere instead of a perceptions version, as it seems). In short, Kohlberg and Higgins they promote the conceptualization of democratic social interaction as the egalitarian building of a moral culture or moral group through the creation of shared moral norms, a moral culture not only required to create conditions of interindividual cooperation and dialogue, but to build a general moral self, a developmental function of the adolescent years. Here, the concept of moral culture pops up, as well, whereas conceptual connections are made with the climate construct. A more elaborate definition of moral atmosphere is offered, defined as 'the moral component of school climate or group character' (Kohlberg & Higgins, 1987, 104). Here, moral atmosphere connected with the tradition of school climate (see Anderson, 1982, for an overview). However, the introduction of the *climate* construct implies a lasting ambiguity concerning the exact unit (and level) of analysis: is moral climate a group characteristic or an organizational feature? In other places in the text, Kohlberg and Higgins (1987, 117, 118, 127) also use the term 'ethos' and 'moral culture' to denote moral atmosphere (without further definition), but they do pay special attention to the refinement of the moral atmosphere concept. Central to their conception of moral atmosphere are students' perceptions as to whether there are shared expectations or norms held by the self,

by the majority of peers, and by the teachers at the school (including norms of justice, norms of community, and norms of convention). Through interviews and questionnaires, a number of variables are assessed: the strength of the norm, the phase of collective acceptance and enforcement of the norm, and the stage (developmental level) of the norm. In addition, an assessment is made of the student's perception of his or her own and the group's intrinsic valuing of community, the solidarity and welfare of the school group for its own sake (Kohlberg & Higgins, 1987, 124).

More attention is paid to the structure of Just Community schools, consisting of elements such as an agenda committee, an advisory group, a community meeting and a discipline committee. Furthermore, the role and behavior of teachers (as leaders) as well as the function and functioning of groups are emphasized as important dynamical factors:

- The teacher's task is promoting mutual moral respect and defining, establishing and supporting the constitutive rules of a fair morality, and framing disagreements within moral parameters, translated into a detailed set of directions for the role of the teacher as a process facilitator of peer dialogue and as an advocate of democracy (Kohlberg & Higgins, 1987, 122).
- Group dynamics is another important factor in creating and maintaining a just community. Kohlberg and Higgins fall back on Lewin's democratic group theory. Durkheimian and Lewinian theory shows a parallel in focusing on the creation of group norms as an influence on individual values and the dependence of these on a sense of group solidarity, cohesion of community, the "groupness" of a group (Kohlberg & Higgins, 1987, 116).

No new positions are taken with regard to the *evaluative* aspects of moral atmosphere. Concerning moral climate intervention, methods described earlier are discussed briefly: classroom discussions, the community meeting, the agenda committee, advisory groups, the discipline committee, teacher training (and their respective tasks). The first and important step in improving the climate or ethos of a school is 'building community': creating opportunities for students to get to know each other and teachers and share personal concerns and interests in an atmosphere of trust and acceptance and an absence of criticism (Kohlberg & Higgins, 1987, 107, 117). In the terms of the format, interventions promoted include EMB, ETR/MAD, POD, EGV, and ORS, and, more explicitly, CFE (concern for employees and others involved), obviously due to the influence of Gilligan's ethic of care.

Lawrence Kohlberg's Approach to Moral Education (Power, Higgins & Kohlberg, 1989), substantially completed before Kohlberg's untimely death in January 1987, offers an overview of their approach to moral education developed over the years since 1975. Since it is both laborious and unnecessary to discuss this text in every detail, only those parts are examined that contribute to the moral (climate) atmosphere theory. As this book compiles earlier texts on 'the just community approach' to prisons and schools, only new or modified elements are considered here.

The main intention of this book is representing the efforts concerning how schools may be better able to contribute to the socio-moral development of the youth. The major hypothesis is that

democratic schools would have more positive moral cultures than traditional high schools. A positive moral atmosphere can have a positive influence on politico-moral reasoning competence. From this perspective, democratic schools were established that offer more than teaching about democratic citizenship, that are themselves democratic societies, dedicated to a communitarian or *Gemeinschaft* ideal and to principles like freedom, justice and fellowship (Power, Higgins & Kohlberg, 1987, 1-2, 6, 272, 306). The influence of Durkheim is discussed in much detail, in line with previous contributions. Especially, Kohlberg was appealed to the power of the collective, assuming that the unit of effectiveness is not the individual but the group, having a distinctive social reality and moral force. This contribution offers an account of the genesis and development of the just community approach. It presents an overview of Kohlberg's theory of moral development (including the stage descriptions already given in Kohlberg, 1984), a discussion of earlier projects (like the Niantic experience and the experiences in a democratic Israeli kibbutz), and Kohlberg's critical relation to Durkheim's theory of moral education. In subsequent chapters, projects in alternative high schools are described. The focus in all these projects is on the norms and values that regulate discipline and social relationships in schools, sometimes called the 'hidden curriculum' of moral education. The democratic processes described were aimed toward making that curriculum more visible so that together students and staff can deliberate and change it to reflect more adequately principles justice and care. Not the presence of a curriculum is the problem, but the fact that it is hidden, everyday making and enforcing of rules not being open to rational discussion (Power, Higgins & Kohlberg, 1987, 2-3, 23). It described Kohlberg's path to Durkheim, his dissatisfaction with his conceptions because of their focus on conventional morality, and his return to ideas of Dewey concerning the post-conventional requirements of true democracy (1987, 24-25).

Of great significance is the part on moral atmosphere research in chapter 4, more specifically labeled as the moral culture, as evolving out of antecedent theory and research on the effect of institutions on moral competence and moral performance. Next to 'moral atmosphere' (referred to as the context for moral learning), the term 'moral culture' plays a more dominant role than in previous texts. Moral culture may be thought of as a variable mediating between its organizational structure (including its educational practices), and individual student outcomes. This moral culture should embody the principles of justice and community, and the better the culture, the greater the likelihood that the organizational structure of the school would function more effectively and the greater the likelihood that the students would develop morally (Power, Higgins & Kohlberg, 1989, 5). In earlier texts, exact and operational definitions of moral atmosphere and moral culture were lacking. Moral atmosphere was often defined briefly in terms of collective norms and of developing sense of community, and in terms of the formation and understanding of shared expectations. It was also unclear whether the concept of moral atmosphere was restricted in an evaluative sense to the fully developed just community only, or was used descriptively in a typological sense, that is, several types of moral atmospheres with a stage character analogous to individual moral development. However, in *Lawrence Kohlberg's Approach to Moral Education* definitory questions are taken up, first by examining the climate aspect. The term 'moral atmosphere' is considered a global one involving a number of distinctive aspects of the school environment (or put more generally, of the organization, HB). Power,

Higgins, and Kohlberg join in with Tagiuri's concept of climate and apply his taxonomy of climate dimensions (Tagiuri, 1968). At first sight, this seems to be a quite arbitrary choice, as half way the Eighties numerous texts on organizational culture were published, while the concept of organizational climate was quite established. Probably the authors met Tagiuri's concept through Anderson's translation of his climate dimensions to schools (Anderson, 1982), making the preference of Power, Higgins, and Kohlberg for this approach understandable.
Tagiuri defines climate "as the broadest term for describing the environment of an institution", and distinguishes four climate dimensions: ecology, milieu, social system, and culture (culture taken as an element of climate, and not the other way round, as the culture-climate literature suggests, see chapter 3). Anderson (1982) demonstrates that Tagiuri's four dimensions can be effectively utilized in classifying an extensive and variegated body of school climate literature:

- Within the *ecological* dimension, she groups variables having to do with the physical and material resources of the school (like size, appearance, and facilities).
- The *milieu* dimension of the school encompasses variables having to do with the aggregate characteristics of the staff (like their salaries, stability, and educational levels), and the student body (for instance their family backgrounds and achievement levels).
- The *social system* dimension covers variables pertaining to the organizational structure of the school and operating procedures, particularly the instructional program.
- The *cultural* dimension includes variables relating to the norms, values, and meaning systems which members of the school share.

Power, Higgins, and Kohlberg (1989, 193) applied Tagiuri's dimensions to their research concerning the conditions for moral growth that make up the moral atmosphere of the school, thus revealing an important implicit genetic definition of moral atmosphere: moral atmosphere as being made up of conditions for moral growth. It should also be noted, that the authors only made an indirect and limited use of Tagiuri's text, regrettable to the extent that important terminological notions were left out of consideration). These conditions for moral growth cut across several of the Tagiuri's dimensions. All of the conditions for moral growth mentioned above presuppose certain ecological factors, such as small size and frequent opportunities for face-to-face interaction. They also directly involve the social systems dimension. As social systems variables, they refer to the roles, rules, and procedures that define the practices of moral discussion, democratic governance, and community building. The research methodology outlined in the fourth chapter of Lawrence Kohlberg's Approach to Moral Education focuses on the cultural dimension of the moral atmosphere. This cultural dimension considered as embodying the conditions insofar as the conditions are valued as part of the normative structure of the environment (for instance, democratic participation in rule making can become a cultural norm). Although all of the conditions may be somehow related to culture, their analysis of the function of culture is for the most part limited to the fourth of the conditions, the development of a community at a high stage. The Just Community Approach is based on the assumption that a positive moral school culture can develop over time, along the lines of stages of moral reasoning. The concept of moral culture expresses a process of development or acculturation which takes into account both natural growth and conscious efforts to promote or enhance that growth by one(s) doing the cultivating or tilling. To promote culture one must understand how school societies grow and develop. Consequently, the approach of Power, Higgins, and Kohlberg (1989,

104) to group development has much in common with the cognitive, structural approach to individual development (both a characterized by a sequence of hierarchically ordered stages and phases). Power, Higgins, and Kohlberg base their understanding of culture on a definition by Levine (1981, 67):

> "Culture is a shared organization of ideas that includes the intellectual, moral, and aesthetic standards prevalent in a community and the meaning of communicative action."

In this vein, culture is a shared supra-individual phenomenon representing a consensus on a variety of meanings among members of an interacting community.

In moral culture theory and research, a number of interrelated parameters is used, some old, some new, some adjusted.

1. The first parameter concerns *the valuing of the school as an institution*, consisting of two dimensions: (1) *levels of institutional valuing*, and (2) *stages of community valuing*. The scheme of the levels of institutional valuing is similar to the categories already represented earlier: phases of the degree of community valuing, though they are not entirely the same, as the table below demonstrates:

Table 5.3.8 Levels of Institutional Valuing

0. *Rejection*: The school is not valued.
1. *Instrumental Extrinsic*: The school is valued as an institution that helps individuals meet their own needs.
2. *Enthusiastic Identification*: The school is valued intrinsically at special moments when members feel an intense sense of identification with the school, for example, when a team wins an important game.
3. *Spontaneous Community*: The school is valued as the kind of place in which members feel a sense of closeness to others and an inner motivation to help them and to serve the community as a whole.
4. *Normative Community*: The school as a community is valued for its own sake. Community can obligate its members in special ways, and members can expect others to uphold group norms and responsibilities.

The second dimension is the stage of the shared understanding of community. The stages of the sense of community valuing are those already represented in the right half of table 5.3.3 presented above.

2. The second parameter is the collective norm and its four dimensions. The collective norm as norm defines what is expected from group members qua group members, in their attitudes and actions. Four dimensions of collective norms were distinguished: (1) their degree of collectiveness, (2) their content, (3) their phase of commitment, and (4) their stage.

(1) *Degrees of collectiveness* of norms, only marginally different from the table represented before in table 5.3.6. As a novelty to arrive at a more sensitive classification, the fifteen degrees of the collectiveness of norms are arranged into four categories: individual-based norms or descriptions of lack of collective norms (1-5), authority norms (6-7), aggregate norms (8-9), and collective norms (10-15), at times in slightly adapted wordings. The most differentiated listing is one for the collective norms. Theoretically, the most important distinction among the types is between degree 11, a spontaneous[102] collective norm, and degrees 12 through 15, collective norms in a prescriptive mode (Power, Higgins & Kohlberg, 1989, 249-250). Three criteria are used to assess the degree of collectiveness: *affiliative constituency* explicitly bound by the norms, *speaker perspective* of expectations[103], and *prescriptivity* of statements of the norm. It was expected that that schools with a democratic structure promote a higher degree of collectiveness than schools with a bureaucratic

authority structure (1989, 123-125).
(2) The *content* of the norm: norms can be classified according to their value content. Four general kinds of norms emerged from research: norms of community, substantive fairness, procedural fairness, and order.
(3) The *phase* of the norm: Power, Higgins, and Kohlberg (1989, 129) derived the phase dimension of their analysis as they began to describe the process of norms becoming institutionalized. The scheme of phases from 0 to 7 (only slightly adapted from table 5.3.4 presented earlier) traces a sequence in which group members commit themselves to upholding shared norms, starting with a phase 0 when there is no collective norm for a particular problem and individuals are left to act in according to their own norms.
(4) The *stage* of the norm: as Power, Higgins, and Kohlberg (1989, 133) assert, from a conceptual point of view, the most difficult problem in their methodology concerns the sense in which it is possible to speak about a stage structure of shared expectations and values that is distinct from an individual stage structure. With this statement, they seem to abandon their initial position that the stages of collective moral development are roughly the same as stages of individual moral development, thus assuming a certain parallel or analogy between individual and collective moral development. If not, how would it be possible to differentiate collective stages from individual stages when analyzing individual statements in an interview or in a community meeting? In order to clarify what a stage of the collective norm is, Power, Higgins, and Kohlberg (1989, 133, 134) proposed a distinction between assessing stages according to an individual's prescriptive socio-moral reasoning about hypothetical dilemmas, an individual's prescriptive socio-moral reasoning about real-life dilemmas or problems, and the shared prescriptive socio-moral reasoning characteristic of a group. Initially, they distinguished two possible kinds of influence of the social environment. (1) It can promote or hinder one's natural social-moral reasoning such that one can either be encouraged to reason at the height of one's capacities, or discouraged from optimal reason. (2) In addition to promoting moral development (which the authors regard as a universal cognitive function), the environment can also lead to the development of social values that may not develop universally but depend upon particular social contents and ideologies. That is, certain (moral) concepts are developed through the influence of particular social environments but not through an internalization of the social input. Thus, there is supposed to be an important interaction between the stage of the individual and the environment, more in particular the influence of the environment on the structure of reasoning of the individual. However, the research of Power, Higgins, and Kohlberg (1989, 134-135) leads in another direction, to a study of the cultural dimension of the environment as having its own stage-like character. Investigating collective stages of moral culture implies looking for characteristics of the group as whole. Thus, the focus is not so much on the influence of the environment on individual psychological processes, but on the characteristics of that environment in terms of moral development. What exactly does the notion of collective stage mean? Power, Higgins, and Kohlberg (1989, 135-136) suppose that the stage of the norm may depend upon but is not be reducible to the moral reasoning competence of individual group members. As it seems, moral atmosphere theory revolves around the proper meaning of collective stage, and more in particular around the relation of collective stage to individual stages of moral development. Power, Higgins, and

Kohlberg seem to have recognized this critical point, as they spend an entire section to the discussion of collective stage. Although they refer to collective norms and elements as having a stage, they do not wish to imply that collective stages are the same as Kohlberg's stages of moral reasoning. That is, they abandon the position of a mere analogous relationship between individual and collective stages. Kohlbergian theory maintains that moral reasoning competence develops through an invariant sequence of increasingly differentiated and integrated structures, but by now it is recognized that collective stage development is rather different, because of three interrelated reasons (1989, 137-142).

1. Since only individuals think, Power, Higgins, and Kohlberg do not believe in a "group mind", even though they do maintain that individuals interacting in groups construct common norms, which in turn influence their thinking in the group. The construction of such common norms reflects moral reasoning *performance*, not moral reasoning *competence*. Collective stages are not derived from the moral reasoning of individual group members, but through their actual interactions or performances in a group context. Thus, collective stages are not collective competencies, but collective performances. This understanding of collective stages as collective performances leads to a modification of two key assumptions of the invariant sequence claim.

(a) The collective norms of a group need not originate at Stage 0 or Stage 1, but might begin at any stage; the starting point for collective stage development will partly depend upon the stages of the individual members of the group. These stages may set an upper limit for the collective stage, but not a lower limit.

(b) Collective stage may regress because unlike cognitive competencies, performances may fluctuate (for instance, when new group members enter the group and old members leave).

Nonetheless, Power, Higgins, and Kohlberg (1989, 137) hold on to some form of stage invariance. They hold the hypothesis that collective stage development will ordinarily proceed without skips or reversals from whatever starting point may be. They adopt this weaker hypothesis because they think that ongoing groups, as individuals, tend to conserve existing normative structures, and that group change, like individual change, is cognitively based. Thus while acknowledging the possibilities of regression and stage skipping, they maintain that these possibilities are highly unlikely under the normal condition of an ongoing educational group. Power, Higgins, and Kohlberg admit that this conception of collective stage even in this modest form is quite controversial, mainly because of the notion that normative structures and their evolution have a cognitive foundation. While schools may be amenable to normative development because a high value is placed on cognitive moral development, other types of organizations may be to a far lesser degree, especially those organizations that are quite the opposite of learning organizations.

2. Second, collective stages imply further difficulties considering their structural wholeness. In Kohlbergian theory, the structural wholeness of the individual moral stages is operationally defined as a consistency in the stage of responses across a number of different dilemmas, which put various norms in conflict. A parallel definition for the structural wholeness of a collective stage would be consistency in stages across various school problems and collective norms. Though Power, Higgins, and Kohlberg (1989, 138) hypothesize that some collective stage

consistency will be found, they do not believe that it necessarily or invariably will occur. Thus, they expect more intra-individual consistency than intragroup consistency for reasons mentioned earlier, having to do with distinctions between individual intelligence and collective consciousness, and between competence and performance. The structural wholeness of individual reasoning arises from a logical (and psychological, HB) demand for consistency in problem solving, while the structural wholeness of group norms clearly depends less on logical demands than on demands for group stability and coherence, which may admit quite a bit of logical inconsistency. Perhaps the most significant problem raised by the notion of structural wholeness is whether collective stages are really logical structures or are contents changing in a sequence analogous to the structural development of the individual stages. This problem can be approached by asking to what extent shared reasoning develops with sufficient clarity and logical coherence that it can be structurally assessed utilizing the scoring method for staging individual moral reasoning (Colby et al, 1987). It is doubtful that such shared reasoning develops, since in any group the focus is more on *how* members should act than *why* they should do so. That is, the concern for *content* (the behavioral decision and the norms and values related to it) will predominate over *structure* (the reasoning that gives the decision and the norms and values a moral meaning). Therefore, a more content-oriented scoring approach is adopted to identify the stage of a collective norm as the stage most individuals would identify as the best expression of the meaning of the norm for the group. Without this claim, it would be difficult to understand how a group could develop norms at a higher stage than the moral reasoning competence of most of its members (1989, 138-141).

3. A third and final problem with the collective stage concept concerns the hierarchical integration of its stage sequence, such that each stage is transformed and displaced by the next highest one. The depiction of collective development from Stage 2 to Stage 3 - 4 in a way implying stage transformations and displacements, oversimplifies what is in reality a far more complex picture, since a collective stage score for a group norm is derived from individual representatives of that norm.

> "Rather than reporting the collective norm at a single stage or adjacent stages, we could just as easily present distributions of the stages of individual representations. By noting changes in the distributions of stage scores over time, we could back away from the strong claim for stage transformation and adopt a weaker position that increased numbers of students would represent the collective norms at a higher stage over time" (Power, Higgins & Kohlberg, 1989, 141).

In this weaker position, higher and lower stages coexist, while development entails an increased preference and use of higher stages over lower ones. Power, Higgins, and Kohlberg prefer the weak position while avoiding pressing the strong claim for their collective stages. Therefore, they decided to fit their data within the hierarchical integration model and thus present single or adjacent stage scores for the collective norm each time it is assessed. It was found that the modal stage of the individual representative of the collective norms matched the more clinical representative of the collective stage, and so it is used as the collective score. The decision to adopt the hierarchical integration model was also influenced by the usefulness such a model has in interpreting and guiding interventions (aimed at promoting development to the next highest stage). This rather flexible method of collective stage assessment takes into account statements that can be structurally scored, stages that are structurally ambiguous, and statements that can

confirm or disconfirm whether a particular stage best characterizes the shared understanding of the norm. Underlying this method is a weaker appropriation of the criteria of stage structure than in cognitive developmental theory of Piaget and Kohlberg. This moral stage analysis of collective norms is important, as without it the analysis of school climate would lack any "moral" character. Norms that are widely shared and strongly enforced may be unfair or woefully lacking moral significance. This may lead to some caution about collectivities in general as they may suffer from 'group think'[6]. This caution may be exaggerated if one fails to differentiate the collective stage from the other two dimensions of norms (degrees of collectiveness and phase) (Power, Higgins & Kohlberg, 1989, 142).

The conceptual distinction between an individual cognitive stage and a collective stage as clarified above was also point of attention in research. Data indicated that though an individual's stage does influence his or her perception of the stage of the moral culture, the stage of the culture itself has some integrity above and beyond the individual's perception of it. The relationship between individual moral stage and the stage of collective norm can be seen in the analysis of the moral culture of six schools, based on the comparison of group means for all six schools in both stage variables. These data show that the mean stage of the collective norms (summed across the dilemmas) is almost the same as the mean standard moral judgment score in the democratic schools. In contrast, in the parent comparison schools there is a marked drop in the stage of the collective norm relative to the mean standard moral judgment score (Power, Higgins & Kohlberg, 1989, 253-254).

To make moral atmosphere theory even more complex, in chapter nine of their book, Power, Higgins, and Kohlberg introduced three other parameters, the first two concerning the assimilation of values of community and democracy, and the third concerning responsibility judgments. Following Vygotsky, Power et al (1989, 271-272) speculated that although the values of community and democracy presuppose cultural transmission, they are not simply internalized but are assimilated by students who reconstruct them through a sequence of stages. In order to test this, stages of community and democracy were constructed to parallel Kohlberg's stages of moral judgment, as represented below.

Table 5.3.9 Stages of the Community Value

Stage 2: The ideal of community entails doing the same things together and enjoying common activities. Members are expected to "go along with the group" when everyone's "good time" can be enhanced. Belonging to a community is seen primarily as benefiting individuals in a concrete way. People in the community are supposed "to get along" in the sense that they avoid negative behaviors (such as insulting each other and fighting) and help each other through exchanges of favors.
Stage 3: The ideal of community entails sharing goals, values, expectations. There is a shared ideal of the group as a good group - a caring, trusting group apart from concrete shared objectives. There is an emphasis on the unity, which comes from all members having a common goal and accepting an equal share of the work. There is feeling that members should be united by strong ties of affection - that the school should be like "a big family". Members should *care* about the school and just "selfishly" care about themselves. Relationships of members to each other and to the school are values in themselves. Caring of the school involves some concern for improving the school.
Stage 4: The ideal of community entails interdependence between individuals and the group as whole. Individuals contribute to the group through their roles as group members and through their particular talents, experience, personalities. Community is enhanced through diversity if there is a common agreement to live

according to a basic commitment to the group. Responsibility to the group comes through having chosen to become and to remain a group member. The unity of community is capable of embracing subgroups that can maintain a certain identity and still be a part of the group.

Please note that in these formulations the focus is more on the group that on the organizational level of the school, indicating problems of choosing the correct unit of analysis.

Table 5.3.10: Stages of the Value of Democracy

Stage 2:	The democratic ideal is one in which individuals all have a concrete right to speak as they wish. The major feature of a democracy is that individuals have the opportunity to speak their mind (have 'their say") or work to get what they want.
Stage 3:	The democratic ideal entails listening to, taking the perspective of, and having respect for others. Individuals are encouraged to think about what is best for everyone or for other individuals. The "majority will" becomes an authority which expresses what is right and must be respected.
Stage 4:	The democratic ideal entails not only a respectful listening to others but a careful consideration of what they mean and how it will benefit the group. Decisions should be made by considering the 'general will', how the group as a whole will benefit.

These two measures (stages of the community value and stages of the value of democracy) are in fact not so much an aspect of the moral atmosphere construct itself. Nevertheless, they can function as a measure for the effectiveness of moral atmosphere intervention programs.

The third measure introduced by Power, Higgins, and Kohlberg focuses on responsibility judgments, following the directions given by Gilligan and Lyons (as discussed above, and represented in table 5.4.7). It should be noted here, that Kohlberg distinguished two kinds of judgments, a deontic judgment of what is right to do, and a responsibility judgment of what *I* should do, while claiming that the two are related. A deontic judgment is a first-order judgment of the moral rightness of particular action, whereas a responsibility judgment is a second-order judgment of the will to act in accord with what one thinks is right. Responsibility judgments may also be thought of as defining an orientation to socio-moral problems, in addition to expressing consistency between should and would judgments. Gilligan and Lyons posited that the responsibility orientation is an alternative to a rules and justice orientation, claiming that responsibility judgments emerge directly as responses of social self in a network of relations with others, not from balancing individual rights through reciprocity and contracts. This view that relationships can have an intrinsic moral quality is somewhat like Durkheim's belief that the sheer existence of a solidarity group creates moral obligations and aspirations. Power, Higgins, and Kohlberg accept this notion of responsibility judgments as an orientation to socio-moral decision making, distinguishable from their own deontic orientation. However, they maintain that deontic judgments of rightness are embedded within judgments of responsibility, such that judgments of responsibility include (at least implicitly) deontic judgments.

The criteria and rules to define and score judgments of responsibility are given in table 5.3.11. Responsibility judgments must meet at least one of these criteria (1989, 59, 273-274).

Table 5.3.11 Criteria for Judgment Responsibility

1.	Concern must be shown for meeting the needs of others or enhancing their welfare that goes beyond not harming them and respecting their rights and legitimate claims.
2.	Conscious consideration must be given to the involvement of the self in an action or in the welfare consequences that an action has for others.
3.	An evaluation of one's personal moral worth (an aretaic judgment) must be at the basis of decision-making. There is an anticipation that performing or failing to perform an action will reflect upon and influence character.
4.	Justification for performing an action must be based upon the intrinsic valuing of relationships of friendship, or community.

The fourth measure concerns individual moral development, the hallmark of Kohlbergian theory, here measured through real life Practical School Dilemmas Interviews.

To summarize, the moral atmosphere or moral culture concept as presented in *Lawrence Kohlberg's Approach to Moral Education* revolves around the notion of collective norms, with two parameters consisting of respectively two and four dimensions with corresponding measures, as well as a third parameter consisting of a series of individual measures:

Table 5.3.12 Moral atmosphere parameters and dimensions

Parameter 1: **Valuing the School as an Institution**
Dimension 1: Level of Institutional Valuing (table 5.3.8)
Dimension 2: Stage of Community Change

Parameter 2: **Collective Norm**
Dimension 1: Degree of Collectiveness (table 5.3.6)
Dimension 2: Content of the Collective Norm (norms of justice, substantive fairness, procedural fairness, and order)
Dimension 3: Phase of the Norm (table 5.3.4))
Dimension 4: Stage of the Norm (table 5.3.3)

Parameter 3: **Individual outcome measures**
Measure 1: Stage of the Value of Community (table 5.3.9)
Measure 2: Stage of the Value of Democracy (table 5.3.10)
Measure 3: Judgments of Responsibility (table 5.3.11)
Measure 4: Stage of Moral Judgment

One of the expectations of the authors (1989, 251) was that the individual's moral judgment stage, as measured by the standard moral judgment interview, would be correlated with the individual's perception of the stage of collective norms and possibly also with the perception of the degree of collectiveness and phase of the norms. Clearly, they would predict a correlation between moral judgment and perception of the stage of collective norms, since both tap a similar cognitive developmental construct. Less obvious is why a correlation between moral stage and degree of collectiveness and phase might be predicted. However, they point at the fact that the higher degrees of collectiveness entail taking a shared "we perspective" which develops at the third stage of moral development. The phases are more problematic, since they are not

connected through a mediating cognitive variable, such as role taking, but are more directly related to attitudes and actions (1989, 251).
In sum, these dimensions and corresponding measures show the complexity of the moral atmosphere concept. One issue however, remains conceptually unclear: the stage of the norm. It seems that the authors equate stage of the norm with collective stage, but this can be quite misleading due to the earlier mentioned deontological bias. Because intrinsic adherence to norms is typical of the conventional level, it is far from clear how moral atmosphere can be adequately identified in terms of stage of the norm, since in the collective part any referral to argumentation structures is strikingly absent. Exactly this sequence of argumentation structures is supposed to have a stage character, at least at the individual level. Thus, the meaning of the stage character of norms is not clear in this respect, pointing again at the aforementioned deontological bias of Kohlbergian paradigm (chapter 4).

A possible way-out is not terming it stage of the norm, but collective stage of reasoning with regard to (not) adhering to a norm. In this way, non-deontological ways of arguing can be adequately identified, as in (hypothetically): "Though I recognize the existence of this norm and even recognize that some people are strong on this norm, I, speaking for myself, do not adhere to this norm because it is not in my advantage, and as I perceive, this is so for most of the people of the social system were part of". This way of conceptualizing is only crucial in a conceptualization of moral atmosphere that focuses on aggregated perceptions of the members of a certain social system. In a conceptualization in which objective styles of moral reasoning are the focus (see chapter 3), the concept of collective stage plays a less important role while having another function.

There is a certain influence of moral atmosphere research and practice on the Kohlbergian moral theory. For instance, the just community intervention experience has led to a somewhat broader understanding of how to evaluate moral education intervention. While the importance of moral stage development is still asserted, other variables related to moral cognition and action (political values, practical moral reasoning, and the presence of a responsibility orientation) are considered significant. Next, the importance of responsibility judgment is confirmed, thus integrating some notions of Gilligan's care-orientation into the Kohlbergian paradigm, and refuting those who accused Kohlberg of neglecting this perspective. Power, Higgins, and Kohlberg (1989, 252) did quit not neglect the importance of this care-orientation, witness the fact that the possibility of gender differences was one their hypotheses. Furthermore, a novelty from moral atmosphere theory and practice is the relationship Power, Higgins & Kohlberg (1989, 272) supposed and found between political values development and moral development, such that political values development may actually precede and predict moral development. Most important, however, is the felt uneasiness with regard to the scoring of the organizational perspective in moral reasoning. Sometimes the level of analysis is the organizational perspective (school as community) and labeled Stage 4, while the focus is clearly on the group and reference to societal rules and regulations is absent (1989, 259-260). This does point at both the presence and the necessity of an in-between stage, to be labeled Stage 3/4. An additional argument for this claim is

the found in the many times the authors themselves could not choose between coding a response as Stage 3 or Stage 4, and subsequently coded a response as Stage 3/4. Why not make this in-between area a distinct stage in its own right? The essential question is here of course, whether such an in-between stage is a logical necessary stage for moral development to Stage 4 and beyond, or just a cloudy piece of no man's land between the group perspective and the societal perspective. The claim can be advocated that Kohlbergian theory not only needs such an in-between stage, but also that is already implicit in this theory. It is claimed to be a logical stage, that emerged in moral atmosphere research, and that is of great significance for moral climate theory that is about moral reasoning in organizations. Moreover, since Power, Higgins & Kohlberg (291) support the notion that the development of Stage 4 is generally not attained until at least age eighteen, while development to Stage 5 is uncommon before age twenty-four, development to the organizational perspective (to be labeled Stage 3/4) is within reach and further development not likely.

In sum, the focus in the analysis of moral culture is to see whether certain elements, particularly those related to a concern of community, become more prevalent in community meeting statements and interviews as a result of the just community experience. The two major units in this analysis of moral culture, the collective norm and the element of institutional value, correspond to two of Durkheim's goals of moral education: discipline and attachment to the group. Durkheim's third goal of moral education, autonomy (the willingness to do one's moral duty, not out of any constraint but because reason commands it), corresponds most closely to the analysis of the stage of norms and elements. Within the methodology of just community and moral culture research, Durkheim's element of moral rationality is evaluated by applying Kohlberg's scheme of moral stages to the collective norm and institutional value (Power, Higgins & Kohlberg, 1989, 116-117).

A recurring issue concerns the ontological status of collective stages: is a stage the means of individual scores with respect to some collective norm or with respect to all collective norms, or is it the modus of scores with respect to that specific collective norm or with respect to all collective norms? In other words, what exactly, for instance, is meant with the expression that this group or that organization is (at) "Stage 4"? Would it not be more appropriate and convenient to define moral atmosphere in terms of dominant collective judgment structures (the position defended in the present study)?

From an *empirical* perspective, transcripts of community meetings and ethnographic interviews were used and practical school dilemmas interviews were analyzed to assess and to compare the moral cultures across schools (1989, 243). Here too, it becomes apparent that the authors wrestle with the ontological status of the moral atmosphere concepts, its constituting parts, and its level of analysis when indicating that they can only learn about the collective expectations, norms, values, and community spirit that characterize the group through the perceptions of individuals. Furthermore, they suggest that it is necessary to carefully examine the statements made by individuals in a community meeting to determine what they may reveal about the group, or more specifically about the moral culture of the school (1989, 109). In their own words:

> "Admittedly, generalizing from statements of individuals about a particular issue of group

> concern to a shared or collective moral culture is a formidable task. Individual perceptions are likely to offer only pieces of the whole, colored by individual differences of various kinds, especially by the moral stage, length of experience in the school, and role within the school (e.g., leader, follower, isolate). Given individual differences among group members' statements, we have to look for what they have in common. As all ethnographers in search of a shared cultural reality do, we listen to individual reports, factor out the individuality of the report, and come up with a description of what exists across subjects."

Put briefly, they seek the common denominator in individual perceptions while overlooking problems of reliability, validity, and aggregation[104]. Furthermore, the open-ended character of the ethnographic interviews made it difficult to compare schools, which was an important part of the research design. The answer to the limitations of ethnographic interview was to devise a more standardized school dilemma interview, building on the ethnographic interview and the community meeting analysis by constructing dilemmas that were based on actual dilemmas students in different school were experiencing instead of hypothetical dilemmas. Instead of asking, "What should you do?" in hypothetical context-free standard dilemmas tapping general moral competence, students were asked "What would you?" concerning specific contextual practical real-life dilemmas in order to tap moral performance (1989, 109-110, 243, 244-245, 278). In addition, students were asked how they felt their peers would react to these dilemmas. In fact, the school dilemmas interview is quite similar to the ethnographic interview described above and shares with it a focus on students' perception of the culture of their school. The dilemma format was adopted for two reasons, first of which is the wish to make comparisons among schools whereas the second concerns the wish to analyze collective moral prescriptions that is, statements expressing the obligations of community members *qua* community members in the name of the community.

From an *evaluative* point of view, the authors take the *cognitive moral developmental* stance. However, functional elements also occur, for instance when considering the school both as an instrument of socialization and the school community as a goal in itself, insofar as a school is a just community based on mutual care and responsibility for its own sake, as a Gemeinschaft (in terms of sociologist Tönnies' Gemeinschaft-Gesellschaft polarity). Being a *Gemeinschaft* is the principal project of the school. Power, Higgins, and Kohlberg (1989, 105-106) define community as a *Gemeinschaft* culture in which interpersonal and collective relationships are valued in themselves and given such priority that members are willing to make personal sacrifices for the sake of their common life (1989, 105-106) [105].
In defining, assessing, and evaluative moral culture, Power et al also seem to adopt a *contingency* point of view, as they recognize that these culture-building attempts are limited by the influence of the wider societal culture (Power, Higgins & Kohlberg, 1989, 104-105).
From this perspective, it is relevant to look at differences between the schools examined (in terms of student population, demographical backgrounds, history, and approach to democratic community).

Lawrence Kohlberg's Approach to Moral Education contains an important passage on the evaluative part of the just community approach, that is, on the question of why high schools should become

democratic. Two types of arguments are brought in, including a practical pedagogical argument and a moral philosophic one. Tenor of the former argument is that the democratic process is valuable means of promoting development, teaching about the political system, and securing order and harmony in the school[106]. The latter argument promotes the inclusion of adolescents in democratic decision-making to respect their autonomy as moral persons, Stage 6 moral reasoning, and role taking being the ideal, despite the limitations of Stage 3 adolescents. To learn to be autonomous, students must be allowed to make meaningful choices about the rules and practices that govern a good portion of their daily lives. Furthermore, there is no encouragement for rational moral judgment if the principal governs unilaterally and is the only court of appeal; students cannot discover the intrinsic worth of virtuous conduct if discipline depends upon adult-enforced rewards and punishments (1989, 27-29, 31).
Therefore, the following *dynamical* factors are mentioned in attaining and maintaining a just community: open discussion with a focus on fairness and morality, cognitive conflict and mismatches stimulated by exposure to different points of view and higher-stage reasoning, participation in rule making and the exercise of power and responsibility, and the development of community at a high stage. An important dynamical factor is formulated as the "leading edge hypothesis". This hypothesis embodies the expectation that students may first develop their moral reasoning competence in dealing with school-related problems and later extend this competence more generally to content areas sampled in Kohlberg's standard, decontextualized dilemmas, despite critical notions of the authors (Power, Higgins & Kohlberg, 1989, 272, 290, 291, 294).

Two important questions remain after this representation of the justification of the just community approach entailing moral atmosphere development:
1. Is the orientation on organizational goals (that is, commitment to the school and the development of a sense of community) an additional (and as yet ill-defined) mediating stage between Stage 3 and Stage 4, and if so, is this stage a logical stage, that is, a necessary stage to pass through in order to develop from Stage 3 to Stage 4 moral citizenship?
2. Are this just community approach and the way it is justified transferable to other types of organizations, or may serious barriers be expected because of significant differences in organizational goals and practices? From a Kohlbergian point of view, there is no reason to conclude that this approach would not apply to common labor organizations. Any organization could and should be a means for people to prepare for democratic society, as well as a goal for its own sake, when people are respected for their moral competencies by giving them opportunities practice and exercise them.

From an *interventional* perspective, the just community approach is in fact an climate specific intervention program in itself, based on structural interventions (ORS) such as community meetings (in various forms), discipline and fairness committees. Furthermore, there is an emphasis on the teachers role and conduct in the classroom, that is, being facilitative and advocating the values of the just community, without being indoctrinate (EMB/MAD/ETR) (1989, 302-305). Of course, the very essence of the just community approach involves policy

development, implementation and evaluation (POD) and evaluation of organizational goals and values (EGV).

Spin-off during the Eighties and beyond

Since moral atmosphere theory was primarily designed as an educational theory, spin-off contributions focus on schools.

Maul (1979; 1980) connected moral atmosphere with conditions in intensive education such as an adapted time structure.

Higgins (1995) offers a reflective overview of developments within the just community approach. In its very essence, in the just community approach, a balance is sought between justice and community by introducing the powerful appeal of the collective while both protecting the rights of individual students and promoting their moral growth. In an ideal just community program, students and teachers evolve through moral discussion their own value positions and translate those positions into rules and norms for group behavior through democratic decision-making. Higgins emphasizes the delicate role of teachers, walking the fine line between excessive advocacy - approaching indoctrination - and excessive permissiveness. Higgins also struggles with a stage in between Stage 3 and Stage 4. She repeatedly uses the formulation 3/4 terms when trying to score group solidarity or community caring (1995, 73). In addition, Higgins does not manage to resolve the issue the conceptual relation between stages of individual moral development and moral climate stages, for instance because she does not make the distinction between the logic of development and the dynamics of development. Because the relations between stages cannot be understood properly (integration, transformation, addition, or substitution), the analogy between individual and collective stages cannot be understood properly as well. A high-stage community is a condition for establishing a just community, formulated in terms of a moral culture or moral atmosphere of a school. In this formulation, Higgins not only seems to use the terms 'moral culture' and 'moral atmosphere' interchangeably, and sometimes (1995, 75), in an ameliorative way, indicating that a culture is only a *moral* culture if it meets certain moral criteria. She also fails to give a clear definition when she refers only to group members' norms and expectations having a strong influence on behavior (1995, 71). It is in fact amazing to see that the rather complex texture of parameters so consciously described by Power, Higgins, and Kohlberg (1989), is almost completely left out of the picture, though at some place implicitly used when she discusses normative expectations and the sense of community. In fact, only three of the measures described by Power, Higgins, and Kohlberg (1989) are used: collective norms, valuing of the school as a community, and stages of norms and values, whereas a moral atmosphere typology is not made up. The idea of moral culture is explained by referring to a more general concept of culture as a shared, supraindividual phenomenon representing a consensus on a variety of meanings among members of an interacting community that on its turn may be influenced and limited by larger cultures representing ethnic groups, the neighborhood, and U.S. society. Of interest is the notion of "shared supraindividual phenomenon, revealing difficulties in deciding whether moral culture/climate/atmosphere is an organizational attribute of an aggregate of perceptions. In this vein, it should be noted that Higgins hardly uses current

theories on organizational culture and climate, despite the fact that these theories were available at that time.

From an *empirical* stance, this publication offers no new viewpoints. From an *evaluative* point of view, Higgins embraces the moral developmental criterion (1995, 52) when stating

> "...each stage is more advanced than the previous one. This assumption means that reasoning at higher stages is better in the sense that they serve problems more adequately and more fairly that does reasoning at the lower stages".

This formulation reflects the two evaluative criteria described in chapter 4 of the main text: a psychological criterion ('more adequately') and a moral criterion ('more fairly'). Every next stage with its particular perspective is broader, takes into account more variables or aspects of a moral problem, and is more truly or intrinsically moral. Apart from these current moral criteria for evaluating moral development, Higgins seems to recognize a pragmatic contingency criterion, thus emphasizing a fit between someone's stage of moral reasoning and environmental characteristics. As Higgins puts it (1995, 50-51):

> "In cultures in which most of the business of the society can be carried out in face-to-face groups many adults tend to solve moral problems reasoning at Stage 3, a good fit since Stage 3 reasoning often invokes and relies on shared group norms as a moral basis for decision-making."

From this statement, a pragmatic criterion can easily be derived, as well as are suggestions for (non)intervention: why develop people that function at Stage 3 to a higher level, when Stage 3 seems to perfectly match their circumstances? From an *interventional* point of view, Higgins' contribution offers no insights when compared to earlier contributions to moral atmosphere theory and the just community approach. Some structural components need to be institutionalized to realize a rule-governed participatory democracy: core or advisory group, community meeting, agenda committee, and discipline or fairness committee (Higgins, 1995, 64-66) (in terms of our format: ORS, OGV; POD; EMB; MAD; ETR; IOC; FEI; COG). In sum, this contribution shows a reconfirmation of the just community approach and its fundamentals. However, the richness of the moral culture concept as developed by Power, Higgins, and Kohlberg (1989) seems to be fading. The various parameters that were formulated were almost all left out of consideration, and as it seems, the moral atmosphere/moral culture part of the just community approach is put on the sidelines. Though the importance of moral culture is emphasized, the concept lacks the further elaboration made possible in the perspective of developing culture and climate concepts discussed in contributions in the field of organization and management theory.

Power and Makogon (1995) focus on the justice-care debate in their application of the just community approach to care, and shows, apart from this issue, no new elements. Their brief outline of the just community approach contains no moral atmosphere part. Instead, the authors emphasize community norms as values as shared expectations, with care providing the social glue within a community and caring as the norm that binds all members of the community to each other. In the context of a just community, caring is both a characteristic of individuals and of the group as a whole. An unresolved problem of the just community approach concerns the level of analysis issue. The espoused level of analysis and intervention apparently is the school as a

community, though the actual level of analysis and intervention is the classroom. Interventional issues discussed as well. The just community approach establishes structures and processes that facilitate teacher to student, student to student, and teacher to teacher communication about moral issues; within these structures and processes, teachers play a pivotal role (ORS; EGV; POD/EMB/MAD; ETR; IOC; FEI; COG).

Brugman, Høst, Van Roosmalen & Tavecchio (1994) described differences in moral atmospheres in Dutch secondary schools based, on the just community approach. Taylor and Walker (1997) examined the effects of dyadic discussions between young offenders based on *disequilibrium* (exposure to and interaction with higher forms of moral reasoning) as a way to develop their level of moral reasoning within a moral atmosphere context. Schrader (2004) proposed to foster moral climate in order to arrive at intellectual safety as a necessary condition for moral and epistemological development.
Generally, these contributions considered moral atmosphere/moral climate from a perceptions approach (BH94; BR94; BHB03; HB98). Authors did not always distinguish properly between descriptive and normative use of the concept, and did not always use Kohlbergian moral atmosphere theory in its fullest range. It was simplified, for instance by abandoning the moral atmosphere typology and/or the just community approach, or defining it inadequately, for instance, as "the process that members of an institution go through when they develop the moral atmosphere within their institution" (Høst, Brugman, Tavecchio & Beem, 1998, 48), whereas Taylor and Walker (1997) referred mainly to the *Stage of Norm* and the *Stage of Community* measure. However, Høst et al (1998) found three components of moral atmosphere:

1. *connectedness with school* (MA1), containing the subscales 'sense of community' and 'positive social relations within school' (enthusiastic identification and social relations);
2. *constraint* (MA2), containing the subscales 'negation of community' and 'rejection of the school';
3. *collective (contextual) moral judgment* (MA3), containing the subscales 'content of the norm helping', content of the norm rejecting of theft', 'stage of the collective norm', and general moral atmosphere.

Researchers considered moral atmosphere as the independent variable, with intellectual safety (SCH04), (development of) moral reasoning (TW97), and an increase of prosocial behavior and decrease of transgressive behavior as outcome variables (BR94; BH94; HB98; BHB03). Brugman et al (2003) emphasized the importance of moral atmosphere or moral climate as a mediating variable between moral competence and moral behavior: the (perception of the) moral atmosphere in school affects moral behavior, and may hinder students to exercise their moral competence. In some instances (for instance, Brugman et al 2003), unit of analysis problems may arise when students are asked for their perceptions of the school, but in fact give answers that relate to the moral atmosphere of their classroom.

One might expect that authors adopt a moral developmental criterion, based on Kohlberg's theory. Instead, authors used formulations such as a more positive of healthier moral atmosphere, lacking specific developmental notions (for instance, Brugman, 1994; Brugman et al

2003). Perhaps for this reason, the moral developmental intention was not always translated in a climate-specific set of proposed interventions. It will be no surprise that most of these interventions are on the educational level, and can be labeled in terms of advocate improving communication on ethical issued (IOC), focusing on ethical issues (FEI), concrete guidance (COG), ethics training (ETR), and exemplary teacher behavior (EMB). Of course, the policy of the educational institution could be labeled as policy development, implementation and evaluation (POD) and evaluation of organizational goals and values (EGV). Furthermore, monitoring moral atmosphere could be helpful (OEA). Since these publications focus on students, HR instruments fall outside the interventional horizon. Nevertheless, the role of teachers is considered pivotal, as is confirmed in much moral climate research. Changing the attitudes and skills of essential is essential in developing moral climate (MAD).

Application to labor organizations

Though Kohlberg and associates proposed a broader range of application of their just community approach (including moral atmosphere theory), not only to different types of schools and prisons, but also to industrial and bureaucratic types of organizations. However, only two contributions to moral theory are not about educational or correctional settings that focus on students or inmates (Higgins & Gordon, 1985/1986; Lovell, 1995).

- Higgins and Gordon (1985/1986) offer the only contribution using the moral atmosphere concept that is not on organizations with educational or correctional aims, but on industrial organizations. However, the link with the just community approach with its emphasis on democracy is at least implicitly present in the way Higgins and Gordon described the developments in two worked-owned companies in terms of being a challenge or a barrier to moral development. Despite its newness and uniqueness, this publication has been hardly referred to (KO86a; LMG04; SN00; SCT96; STC99; TR86; TR92). This study is part of a research program of Harvard Graduate School of Education that has sought to theoretically and empirically investigate democratic organizations with an orientation toward practical projects in work democratization, both in worker-owned business and in "Quality of Work Life" projects of union management cooperation. Particularly, the relationship between work environments and the socio-moral development of adults was examined. Especially, Higgins and Gordon expected that a change in the formal legal structure would put an enormous stress on the organizational structures through which the enterprise is governed and on the people's attitudes and their norms of socially appropriate action, resulting in frustration and chaos. Whereas in traditionally managed and owned firms the contradictions and weaknesses of the work climate often remain hidden or implicit, in democratically governed worker-owned companies, the work climate becomes explicit as a resulting from the "moralization" of work. Because people can judge and criticize each other's commitment to the work and the way of working, using the newly legitimate basis of cooperative ownership (1985, 246), these changes disturb an existing equilibrium, when democratic process reveals the contradictions and weaknesses that may be inherent in the work climate. Another issue in their research concerns the identification of normative subgroups. The original hypothesis held that diversity among groups in an organization is conducive to socio-

moral development of the individuals as long as that diversity can be managed (as in the just community approach). Therefore, the focus is on groups creating collective norms, which are considered group phenomena, sui generis (1985, 242). Although Higgins and Gordon do not use the term "moral atmosphere", they apparently point at the same phenomena as Kohlberg and associates did their contributions. Higgins and Gordon (242) primarily explain moral atmosphere in terms of group norms:

> "Group norms are collectively shared expectations about what should and what should not be done by a member of the group under specified circumstances. Group norms also usually define appropriate attitudes that should be associated with particular behaviors (...). Group creates sets of norms that form systems in order to insure and regulate complex patterns of action. These systems of related norms form a social structure of the group that we call the *normative structure*. The normative structure of an organization is a primary component of its work climate".

Contrasted to earlier moral atmosphere research, the focus of Higgins and Gordon is not so much on the sense of community and the way workers and managers value their organization as a community. Instead, they evaluate workers' and managers' sense of attachment to the organization and the reasons for their attachment of loyalty by assessing individual values. In order to arrive at a more complete understanding of the work climate of an organization, the underlying values people hold and bring to bear as justifications for upholding or violating organizational norms must be understood. Individuals within a group may act in ways consistent with the group's norms, but for different reasons (including underlying values, related to an individuals' feelings of attachment to the organization or to the basic assumptions about what it means to be a moral person).

Higgins and Gordon (1985, 243) link up explicitly with culture theory when positing that companies that are successful in creating common goals and an accompanying set of shared values as well as having common or collective norms are said to have a 'corporate culture'. By conceptualizing the work climate as the complex interrelationships of the various layers of the organization, from the visible actions and behaviors of the members to the normative structures that guide action to the underlying values of individuals that give meaning to both norms and behavior, the authors construct a theory of organizations truly bridging moral psychology and sociology.

Diversity (gender, class, and race) either fosters or hampers dialogue, moral development, and sense of community, depending on the circumstances. Tolerance and appreciation of differences humanizes relations, whereas stereotyping of subgroups may split the organization in the absence of common understanding (1985, 244). As it seems, Higgins and Gordon do have informal subgroups in mind (grapevines), rather than formal groups (branches). In any case, they seek to analyze the relationship of the normative structure of an organization to the salient values expressed by individuals or groups for upholding or violating the norms of the organization.

Higgins and Gordon (1985, 245-246) distinguish three typical cases of norm-value relationships, each with hypotheses concerning positive and negative outcomes (as an attempt to conceptualize the possibility of different types of *moral subclimates*, and their implications):

1. The first case occurs when an organization has a common normative structure, and within it, subgroups holding different values that do not overlap at all, or are even mutually exclusive. The

normative structure of the organization is put under great strain, if one or more subgroups assert their values as being the necessary basis for upholding the normative structure of the organization or as being the necessary basis for organizational membership. The inherent weakness of an organization is this situation is that moral role taking among subgroups with mutually exclusive values is difficult and stereotypic conceptions are likely to exist. Communication and negotiation about problems becomes a limited process that ultimately fails. However, a turn for the better is also possible. If the subgroups have some combination of overlapping salient values, subgroup members will be able to engage in moral role taking and stereotypical conceptions of subgroups will be less likely to emerge. The possibility exists for the organization to ground its common normative structure on the set of overlapping values of the various subgroups.

2. The second case is one in which the organization does not have a common or shared normative structure but rather has a shared value (a common goal or sense of mission) knitting the organization together. If the shared organizational value or common purpose is weakened and strong mutually exclusive subgroups exist, then different actions by the various subgroup members guided by their norms will be interpreted by other subgroups as undermining the common purpose or mission. A change for the better is possible. If the subgroups have some combination of overlapping salient norms, then subgroup members will be more likely to engage in moral role taking. Misinterpretation of actions will be less likely to occur, while the organization will be able to function with adequate stability.
3. In the third case, the alternatives represent both the most inherently unstable and stable structures. The unstable case is an organization comprised of subgroups that have both mutually exclusive norms and values, creating a confederation, at best. The extreme example is one in which organizational subgroups have in common not only norms and values, but also race, ethnicity, sex, class, or education. The tendency for others to freeze that configuration into something that could be termed "group character" is great. The stable case is an organization comprised of subgroups, all of whom share at least one salient norm or value with one other subgroup. This knits together the organization into a complex set of relationships and minimizes the emergence of stereotypic conceptions of subgroups by each other because there are demands within each subgroup for members to take the perspective of other subgroup members who are to some degree different form themselves. Moral role taking within each subgroup then enhances the chance of moral role taking among subgroups.

An important part of the text of Higgins and Gordon concerns the operationalization of the concepts of norm and value that comprise the core of work climate, especially with regard to their quantifiable aspects. The authors present an overview of three aspects of a norm.
The first aspects concerns a scheme of the s*ource of legitimization of norms*, similar though not identical to the scheme for identifying the degree of collectiveness of norms that is used in analyzing the moral atmosphere of schools (1985, 247) and presented above as table 5.3.6.
The second aspect concerns indications of the strength of the normative culture of an organization, the extent to which norms have regulative power over the behavior of the group members. This aspect of the norm, a measure of commitment to and institutionalization of a norm of set of norms, as well as a measure of the developing institutionalization or decay of a norm over time, is termed the *phase of the norm* (resembling table 5.3.4 presented above).
The third aspect of a norm is its "moral stage", the *stage of the norm*, the structural analysis of the articulation of the norm and the reasons given in support of it. When a norm originates through discussion and explicit agreement and is at a high phase, then most members offer a commonly understood and shared reason which structural properties scorable within Kohlbergian moral

stage theory. The stage of representation of a truly collective norm, therefore, is the shared meaning a norm has for the functioning of the group and not the average stage of the individuals within it. Norms originating in other ways and/or at low phases are not scorable for moral stage, but rather the reasons given in support of such norms usually indicate the individual's own stage of reasoning and set of values (Higgins & Gordon, 1985, 249-250).

In analyzing the normative culture of an organization, Higgins and Gordon (1985, 251) propose two additional steps concerning normative subgroups:
(1) After characterizing each norm in terms of the three aspects described above, members in the organization that hold particular constellations of norms are identified. Thus, the normative culture is characterized in terms of normative subgroups. Normative subgroups may share an organization-wide norm but also have particular norms of their own.
(2) Finally, each individual member's understanding of the number, complexity, and interrelatedness of normative subgroups to each other is analyzed. Higgins and Gordon (1985, 250) term this measure the *complexity of social conception*. When the data from an entire organization are analyzed, scoring individuals for their level of complexity of social conception makes it possible to describe the organization based on the most widely agreed upon social conception and to consider individuals with variant conceptions as incompetent informants. The ordinal categorization of the complexity of social conception measure is represented in table 5.3.13 (Higgins & Gordon, 1985, 250).

Table 5.3.13 Complexity of Social Conception

0	*Anomic*	The individual speaker expresses no awareness of any subgroup or group norms as governing the organization.
1	*Alienated negative*	The individual speaker rejects the salient norms of the group or organization and offers no counter-norms.
2.	*Alienated positive*	The individual speaker rejects the salient norms of the group but offers counter-norms which may or may not coincide with those of a subgroup of which he or she is a member.
3.	*Integrated*	The individual speaker accepts the norms of the subgroup or group of which he or she is a member.
4.	*Integrative*	The individual speaker recognizes that the differences in norms of subgroups are complementary for the organization as a whole.

Connected to the measures explained above, Higgins and Gordon (1985, 250-251) make values a cornerstone of their conceptualization of moral/work climate. They define values as expressions of an individual's identity springing from the individual's beliefs and assumptions about who s/he is or should be. This definition includes ideas of one's moral identity as well as conscious motivations of either a moral or a pragmatic nature, but excludes unconscious motivation since this does not relate to normative culture. Values are identified and analyzed in order to understand the motivational basis for people's adherence to organization and/or subgroup norms as well as their commitment to the organization or workgroup. For this purpose, Higgins and Gordon developed the *Individual Identity and Identification* categorization scheme of values

(including examples). These include ordinal measures of values about the meaning of work and the meaning of the workplace. The schema below is termed this way, because one's work-related values express identification with the firm, or in fact, a lack of identification.

Table 5.3.14 Individual Identity and Identification

1. No Values	"The kinds of things that people do here mean nothing to me." "I could care less about what this company is trying to achieve."
2. Values Outside Company	"I like working here because I'm learning skills I could use elsewhere." "I work to support my family."
3. Valuing Concrete Work	"I like working with my hands." "I like to see something that I have made at the end of the day."
4. Valuing Particular Others	"I like working with these people, Helen and Jim." "I like working here because I can make friends who I can rely on."
5. Valuing the Company	"I like the way this company runs"; "I want this company to succeed."
6. Valuing Professional Norms	"I like doing where my work is in accordance with objective standards."
7. Valuing Abstract Ideals	"I like working here because my company embodies values which I believe in"; "I like working here because this company is working towards an ideal society."

This measure includes a dimension of abstractness. Examples at the concrete end are valuing money or convenience, examples at the midrange are valuing relations with specific other workers or the atmosphere of the company, whereas examples at the abstract end are valuing professional goals or an ideal societal organization. The final parameter to be measured is the moral stage of individuals.

Unclear is the relationship of the work climate concept to the "moral atmosphere" concept (Higgins & Gordon, 1985, 267). Both are considered as a manifestation of the organization's "hidden curriculum", work climate as an element of business firms, and moral atmosphere as the "unstudied curriculum" of the schools. The exact conceptual relation remains unspecified, that is, it is far from clear whether schools can have a work climate and business firms and other types of labor organizations can be said to have a moral atmosphere. Besides conceptual problems, there is also a typological issue, since there is no moral atmosphere *typology*, despite the possibilities of constructing one.

Concerning the *empirical* part, Higgins and Gordon analyzed data collected at one point in time about the work climate of two worker-owned firms, as examples of the first two types of cases discussed above. They anecdotally report how the relations among norms and the relations among values in each company have affected change over time in organizational stability. The method of data collection used is qualitative: in-depth, open-ended interviews were conducted with a sample of people representative of a cross-section of a firm. The method of data-analysis is both qualitative and quantitative. Measures were threefold: the normative culture of the firms, their value profile, and individual moral development of the members of the organization. Concerning normative culture, different measures were taken, including the source of legitimization of norms, phases of a norm, stage of a norm, complexity of social cognition, the

Individual Identity and Identification measure (with an underlying dimension of abstractness) (see tables represented above). Using these measures, Higgins and Gordon identified both normative and values subgroups, while finding that both firms did not very well, mainly due to lack of democratic experience. Furthermore, it is necessary to look at the average stage of individual moral reasoning and compare it to the other measures in order identify conditions for moral development.

Though Higgins and Gordon did not pay explicit attention to the *dynamics* of moral climates - how they arise, change or develop, merge, or decay -, they recognize the Kohlbergian theoretical tenet that development occurs through the interaction of the individual with the physical and social environment (1985, 267, 268). They appear to view the person-situation interaction somewhat ambiguous, and with it, take an indecisive stance in the structure-action debate. They consider individual moral action a function of the normative structure of the organization and its socializing 'hidden curriculum', and at the same time consider individual values influencing and (to some extent) determining this normative structure. In identifying normative subgroups and value subgroups, no relation to organizational position and tasks is suggested, apart from the rough distinction between manager-worker subgroup and worker subgroup, thus possibly overlooking important explanatory relations. However, some environmental factors are taken into consideration because of their assumed explanatory force. For instance, apart from influences of the economic situation on the willingness (not) to perform unchallenging jobs, the content of the norm of caring and cooperation in one firm was connected with the ideal of Christian love and the religious culture of the southeast part of the United States. Another connection was demonstrated between the value profile of this firm and the fact that it was located in a poor rural section of the South with high unemployment, as this was reflected in the strongest cluster of values given by its members, that of making money, having steady employment and the convenience of the workplace (1985, 259, 262-263).

The *evaluative* issue is resolved by adopting a moral developmental criterion borrowed directly from Kohlbergian theory. Higgins and Gordon favor the position that an organization that provides a challenging work climate is morally better than an organization that does not. With it, it is assumed that organizations do apparently have some educational tasks. From this perspective, Higgins and Gordon (1985, 261, 266) offer a small number of very general suggestions for moral climate *intervention*, including fostering democratic processes (ORS; EGV; POD), presenting an image of internal moral diversity in order to enhance socio-moral development of individuals (OEA), and implement organizational moral education (ETR) based on assessment of the educational potential of the workplace.

Discussion

This rather special and unique study of Higgins and Gordon is the only study about business firms within the group of Kohlberg and associates. However, a few critical remarks should be mentioned here. After all, the embedding in the just community approach is quite thin. It is not made clear, whether and how business firms could be turned into a just community, though the fact of worker-owned companies was a quite promising starting point. In the same vein, the

relationship between moral atmosphere and work climate remains rather implicit, moral atmosphere being an element of schools, and work climate of labor organizations. Does this imply that labor organizations cannot have a moral atmosphere, and that schools cannot have a work climate?

In this study, five very complicated measures were compared, including the source of legitimization of norms, the phases of a norm, the moral stage of a norm, individual values, and individual stage of moral reasoning. These measures make research laborious and time consuming, leaving the question open whether researchers could with simpler, less time-consuming methods, though just as informative. The deontological bias of the Kohlbergian paradigm becomes apparent again, leading to conceptual ambiguities. For instance, it is not clear how group norms are collectively shared expectations (that is, something in the people's heads), and an (objective) contextual feature of an organization (the normative structure of an organization) at the same time. Another issue concerns the type of norms. Most of the time, the study is not about moral norms, but about conventional norms and values (such as working hard and finishing work). Other ethical theories would provide us with other points of view and with another typification of moral climate.

A definite point of advantage is the demonstration of the presence of subclimates, though not related to formal groups, probably due to the small size of the firms examined. For the same reason, empirical generalization can be no more than inadequate, as only two case studies are discussed with a small population (no more than about 25 members in each firm). This implies that these members all know one another, making this organization more like a group (with subgroups) than a real organization, with its connotation of impersonal and rather abstract relations. Unclear, like in most Kohlbergian climate research, is the level of analysis. Statements are made about the whole organization, while the level of analysis is the group, and even the individual level, leaving us with serious problems of aggregation. Yet another point of criticism concerns the naive view Higgins and Gordon seem to hold on organizations, especially democratic organizations. A pragmatic contingency criterion could relate moral climate to tasks and assignments of these two firms and allow a more realistic stance. Finally, intervention methods are predominantly aimed at ethical development through education and training, leaving other HR-instruments out of consideration.

- Lovell (1995) examined the moral aspects of the accountancy profession and the way this profession has to deal with a variety of stakeholder expectations. In his contribution, Lovell (1995, 60) used a Kohlberg-inspired moral atmosphere concept, defined as

> "The influences which mark the territory, through which moral reasoning must pass before it manifests itself in actual behavior, can be referred to as the moral atmosphere, and assumptions on which accounting theories are based form part of the socialization processes of prospective accountants and the subsequent moral atmosphere in which they practice".

Moral atmosphere is broadly defined as the bridge between moral reasoning and moral behavior (1995, 61). Somewhat more specifically, it is defined in terms of the social, political, and economic context through which the moral agent has moved, and in which s/he currently operates. Lovell distinguishes three elements of moral atmosphere concerning the potentially contentious position of accountants, breathing a pessimistic view of humankind (1995, 68ff):

(1) socialization of accountants (including assumptions about human behavior within the accounting curriculum, portraying a negative, pessimistic view of the moral agent, and a limiting, contractual, "dwarfing" understanding of social relationships);
(2) signals transmitted by the professional accountancy bodies by way of their codes of ethics and the issues behaviors these codes try to regulate by offering guidance (codes as an aspect of moral atmosphere);
(3) elements of the broader social, economic and political contexts in which the moral values of the individuals in Western, liberal, democratic states are cultivated; access to information becomes crucial to the quality of democracy, and with respect to accounting information, accountants become important information gatekeepers.

Given the sensitive and central role of information and communication in a democratic society, those in positions of controlling, influencing and presenting important information (such as accounts), have broad "civic" responsibilities to ponder. Information gatekeepers become a potentially important element within democratic aspirations, but it requires a perspective - a personal and collective value system - an individual and corporate will - that may represent unrealistic expectations in the present day. This may imply that the level of moral reasoning will not move beyond the conventional level, in particular the Stage 4 "law and order" orientation, because of the specific tasks and assignments of accountants. Professional accountancy bodies may even resist opportunities to operate at the principled level of moral reasoning and support their members who defend those ethical codes. Lovell recognizes the negative image of the nature of human behavior that is inherent in the theory and practice of accounting. Trust is disallowed and dwarfing is a real possibility/ probability, but to alleviate some of this pessimism, mechanisms of transitions are required. Lovell finds these mechanisms in Habermas' theory of communicative action and procedural ethics. Because consciousness and thought are seen to be structured by language, and hence are essentially social accomplishments, the deliberating subject must be relocated in the social space of communication where meanings - and hence individual identity that is structured by social meanings - are matters for communal determination trough public processes of interpretation. Absolute rules of moral behavior cannot be determined, but are subject to social discourse unfettered by power imbalances, and as a consequence of neutral environment, truth and rightness are essentially discursive matters. The determination of universally acceptable behavior becomes a product of public debate and interpretation, with the procedural principle of universalization requiring that valid moral norms must satisfy the condition that everyone affected by a decision or action can accept the consequences. This requires full debate concerning principles of social behavior (with power imbalances removed), although the impracticality of predicting all possible outcomes, either now or in the future, ensures that the principles are themselves subject to modification.

Lovell discusses the role of individual professionals in modern society, and the individual character of their responsibilities, and pleas for a more socially defined notion of individualism, without suffocating the important legacy of liberalism, that is, the vitality and integrity of the individual, but with an extended process involving a discourse of all others. As Lovell (1995, 76-77) puts it

> "Before any movement can be made towards higher levels of moral reasoning, providing a more conducive moral atmosphere in which accountants and others can transfer higher levels of moral reasoning into higher levels of moral behaviour, an acceptance has to be achieved of the solipsism existing within many areas of modernity, a solipsism which is sustained by the practice and theories of accountancy."

Not rationality, but compassion, that is, empathy and love, emotions, being much closer to Gilligan's basis of moral reasoning, will point the way for future accounting, according to Lovell. A special feature of Lovell's contribution is its relationship to the Kohlbergian paradigm. Lovell explicitly adheres to Kohlbergian theory because this theory has been employed most consistently in contemporary assessments of moral reasoning. Kohlbergian theory serves as framework throughout Lovell's article, but though this Kohlbergian framework is adopted in an article on moral atmosphere, Kohlbergian moral atmosphere theory is neglected almost totally, and used in a less than accurate way. Though Lovell's contribution is conceptual and not empirical, he seems to consider moral atmosphere as an intervening variable, mediating between societal influences and professional accountancy behavior. From an evaluative perspective, Lovell describes the struggle of a moral atmosphere that is full of tension between conventional Stage 4 morality (pragmatic contingency criterion) and post-conventional Stage 5 morality (moral development), with a pivotal role for codes of conduct in constituting moral atmosphere. Lovell does not suggest specific modes of intervention, apart from a very general emphasis on ethical codes (COE), improving organizational communication (IOC) and focusing on ethical issues (FEI), apparently in a climate sensitive way.

Discussion

Concerning *conceptual* and *typological* issues, the Kohlbergian concept of moral atmosphere has developed from a superficial concept, meant to close the gap between moral reasoning and moral action, to a construct consisting of many variables, giving it a rich though complex structure, perhaps too complicated in organizational research. In its essence, moral atmosphere is about collective norms and sense of community, both having a stage character, though not leading to a definite moral atmosphere typology paralleling Kohlberg's stage theory of individual moral development. The ontological character of moral atmosphere remained ambiguous, both an organizational property and an aggregate of perceptions, with difficulties with determining the proper unit of analysis (school, class).

Moral atmosphere theory gave new impulses to the Kohlbergian paradigm by stressing the importance of the influence of the environment in which moral reasoning takes place, especially the necessity of distinguishing an in between Stage 3/4. On its turn, moral atmosphere theory was influenced by other developments within this paradigm, notably the results of justice-care debate between Kohlberg and Gilligan, broadening Kohlberg's view on moral reasoning and mitigating the deontic bias inherent to Kohlberg's theory. The just community approach proved to be a promising new approach in moral education, applied in schools, prisons and kibbutzim. However, applications to other types of organizations remained few (notably, Higgins & Gordon, 1985). Subsequent contributions showed a simplification of the rather complex moral atmosphere construct by reducing the variables to be tested in research (for instance, Taylor &

Walker, 1997). At the same time, the concept of moral atmosphere is disconnected to some degree from the just community approach.

From an *empirical* point of view, moral climate research showed a supplementary need for another type of moral dilemmas than the classical ones already in use. Practical, real-life dilemmas were adopted in research procedures as well. The combination of hypothetical prescriptive should-questions and practical descriptive would-questions made it possible to measure moral competence as well as moral performance. The unit of analysis issue was not resolved properly, whereas the many moral atmosphere variables may be a hindrance for practical research in organizations conducted by researchers not seasoned in Kohlbergian matters. Furthermore, moral atmosphere theory was not an elaborated organization theory: references to organizational variables like structure, policies, culture, and organizational strategy were scarce and at best implicit. Schools, kibbutzim, and prisons were mainly considered loosely connected to organizational environments. However, Kohlberg and associates cannot be blamed seriously for these inadequacies, because their aim was fostering individual moral development in educational settings and not so much intervening in labor organizations to augment their ethical qualities and eventually give them competitive advantage. Important dynamical factors necessary for development turned out to be model behavior of leaders (like teachers and guards), and the heterogeneity of the group.

The *evaluative* part of moral atmosphere remained somewhat circular at first: development of moral atmosphere was justified in the same terms that justified individual moral development. The justification however, became a point of serious attention. The development of just communities with a positive moral atmosphere was justified in a twofold way: in a practical pedagogical way and a moral way. This dual justification must be kept in mind while evaluating moral climates, because these justifications need not to be in harmony because of inherent tensions (as was discussed in chapter 4).

Intervention theory concerning moral atmosphere developed in an eclectic way, classroom discussions and weekly community meeting based on participatory democracy aiming at the so-called Blatt-effect, remained the twin main course at the intervention menu (FEI; COG; IOC). Especially neglected were organizational circumstances as a target of indirect intervention in moral atmospheres, apart from those interventions facilitating just community (ORS; EGV; POD). The importance of leadership was recognized and asked for exemplary behavior, training, and development of leaders, while other HR instruments were neglected largely.

5.3.2 Organizational moral development

Other elaborated applications of Kohlberg's theory to organizational theory can be found in an early study by Lavoie and Culbert (1978), in the approaches of Reidenbach and Rodin (1991), Petrick and Manning (1990), Petrick and Pullins (1992), Petrick and Wagley (1992), Sridhar and Camburn (1993), Logsdon and Yuthas (1997), Mirvis & Googins (2006), Maon, Lindgreen & Swaen (2010). The majority of these approaches is Kohlberg based, discussing stages of

corporate moral development, stages of moral development of corporations, or stages of corporate citizenship, however without explicitly using concepts such as moral climate, ethical climate, or moral atmosphere, even when authors had the Kohlbergian moral atmosphere on their reference list, as did, for example, Reidenbach and Robin (1991).
Essential to this section are development notions, divided into the *logic* of development and the *dynamics* of development (though not every authors constructs the proposed model in these terms, at least not explicitly). As was already discussed in chapter 2, the logic of development, considers the reconstruction, description, analysis and comparison of (a pattern of) developmental stages and their logical relations (for instance, addition, substitution, modification, integration, mediation, in single, compound or combined modes). The use of this logic of development is facilitating stage comparisons and evaluations by formularizing their possible relations in terms of the relations between their distinctive sets of judgment and other criteria, whereas the dynamics of development aims at explanation of developmental processes in terms of motors or drivers. The conceptual and typological issues addressed in the nine contributions included in this section can thus be compared in terms of logic and dynamics of development, and furthermore, considered for their use of Kohlbergian cognitive moral developmental theory.

From a conceptual viewpoint, the table reveals a gradual move away from Kohlberg's theory of cognitive moral development (CMD) through the years.

- The early stage theory designed by Lavoie and Culbert (1978) connects CMD with the model of Torbert's nine developmental stages of organizations. However, the rationale for the proposed connections is not always clear (for instance, the relation between Stage 4 of CMD and stage 5 of Torbert's model, and between Stage 5 of CMD and stage 6 of Torbert's model.
- Reidenbach and Robin (1991) offer a relatively often quoted (n=11) stage theory of organizational moral climate, though based rather loosely upon Kohlberg's theory, yet giving more or less thick stage descriptions in terms of four points of interest: management approach and attitude, ethical aspects of corporate culture, corporate ethics artifacts, and defining corporate behavior. However, exactly because of these classificatory variables, stage formulations appear arbitrary, as is indicated below.
- Petrick and Manning (1990, 84, 90) propose to develop an organization's ethical climate for superior productivity based on managing human resources with integrity. Their purpose is twofold: to provide a Kohlberg-based five stage theoretical model of professional and organizational moral development, depicting its impact on quality/participation professionals, and to indicate five specific steps that can be taken to improve the ethical climate of any organization to facilitate participative quality processes. A stage six organizational ethical climate, therefore, is most conducive to the growth of participative quality processes. In stage 6, labeled organizational integrity, justice and individual rights are the moral ideals. Balanced judgment among competing interests forms organizational character, which in turn determines the rightness or wrongness of behavior. Subsequently, the authors formulate values related to specific types of industry, for instance, "public service and trust" for governmental agencies.

Table 5.3.15 Overview of models of organizational moral development

stage	Kohlberg	LAC78	RR91	PM90;PP92;PW92	SC93	LY97	MG06	MLS10
1	avoiding punishment orientation	1 shared fantasies	amoral	social darwinism	avoiding harm to one's own organization	self only – others are a means to one's own benefit or pleasure,	elementary	dismissing
		2 investments						
2	obedience and instrumental exchange orientation	3 determinations	legalistic	Machiavellianism	gaining benefits for one's own organization	based on pleasure/pain calculation	engaged	self-protecting
3	good interpersonal relations orientation	4 experiments	responsive	popular /cultural conformity	conforming to norms/practices of the industry	narrow market-based stakeholder relationship, such as with owners, customers, and employees as required by law based on peer expectations and social control	innovative	compliance-seeking
4	law and order orientation	5 predefined productivity	emerging	allegiance to authority	conforming to existing laws and regulations		integrated	capability-seeking
5	social contract orientation	6 openly chosen structure	ethical	democratic participation	recognizing obligations to society	broad range of stakeholders (such as market-based relationships, communities, government agencies, environmental groups) based on universal ethical principles	transforming	caring
6	universal ethical principle orientation	7 foundational community		organizational integrity	upholding universal principles			strategizing
		8 liberating disciplines						
7	spiritual orientation	9 uncharted (higher forms of logic and values)						transforming

Petrick and Manning (1990, 88) also present The Full Moral Cycle, a concept that can be used to assess the degree of integration of an organization's value ideals. A full swing through this cycle is comprised of the complete execution of the following six phases or points from start to finish (1990, 88). Point one is for the organization knowing what it values, point two is for the organization to choose freely what it values, point three is for the organization to cherish what it values, point four is for the organization to declare what it values, point five is for the organization to act on its values, and point six is for the organization to act habitually on its values. To maintain ethical integrity, the organization should complete this circle on an ongoing base. In two subsequent publications (Petrick & Pullins, 1992; Petrick & Wagley, 1992) the same model was used. The former publication investigates the role of HRM in organizational ethics development: would professionals heavily involved in human resource ethics initiatives perceive the ethical climate of their organization more favorably than those less involved? The latter contribution identifies, creates, and coordinates conceptual models and practical steps managers can use to develop responsible strategic management skills: (1) the modified process model of parallel strategic planning; (2) the model of contractual/strategic development; (3) the model of organizational theories and their relative moral emphases; (4) the model of organizational moral development; (5) four practical steps to improve responsible strategic management (1992, 57).

- Sridhar and Camburn (1993) use Boulding's (1956) framework for General Systems Theory in order to arrive at a richer and more complete paradigm for organizational morality. However, this theoretical connectivity does not lead to an enhanced moral climate typology, as one might have expected. Furthermore, though Sridhar and Camburn intend to stay close to Kohlberg's formulations, their formulation of Stage 3 – conforming to the norms of the industry – does not really resemble a Stage 3 formulation. It is even not, in our terms, a Stage 3/4 formulation, since the referent is the industry, which is a hypothetical level between Stage 3/4 and Stage 4. In addition, their formulation of Stage 5 lacks the prior to society connotation, and is in fact much like the formulation of Stage 4. Therefore, these authors do not make a proper and useful distinction between conventional and post-conventional morality.
- Logsdon and Yuthas (1997) connect CMD with a stakeholder orientation and give short descriptions of the organizational stages that parallel Kohlberg's stages (1) act to avoid painful consequence to the organization, (2) act to further one's interests, (3) act to meet expectations of peer companies, industry or local business community norms, (4) act to comply with current laws and regulations (5) act to achieve social consensus on issues not fully addressed by legal standards, and (6) act to identify, communicate, and apply universal moral principles in organizational decision-making. Organizations operating at the pre-conventional level of moral development are not taking legitimate stakeholder interests into account, and their decisions are often perceived to be illegitimate, similar to the perception that ethical egoism by individuals is immoral. Organizations operating at the conventional level of moral development focus on meeting the minimum standards for legitimacy by operating according to legal requirements. Organizations operating at the post-conventional level have accepted a broader set of stakeholder relationships, and thus are likely to be perceived as being more concerned about their legitimacy than organizations at the conventional stage of moral development. In this conceptualization, the actor is the organization, instead of the people within the organization.

Furthermore, by equating legal with ethical behavior, the authors run the risk of lagging behind changing stakeholder expectations and forego the benefits of meeting stakeholder expectations that are not required by law.

- The contributions of Mirvin and Googins (2006) and Maon et al (2010) have no connection with CMD, as is indicated in the table. The sequence of the stages distinguished by these authors does not correspond to the sequence of the CMD based stages, and if so, this is mere coincidence.

Concerning the nature of stages the Kohlberg-based models may represent structured wholes, whereas the other models (Mirvin & Googins, 2006; Maon et al, 2010) outlining stages of corporate citizenship look more like a punctuated continuum of several features put in a developmental order instead of hard stages. Important is the confusing of the logic of development and the dynamics of development. For instance, Reidenbach and Robin do not seem to hold an explicit logic of development, as stages can be skipped without problems (in-between stages not being necessary for development), or regress to lower stages, and an organization can be in two (adjacent?) stages at the same time, due to dynamics of moral development. Put in the proper proportions, the ethical climate model of Reidenbach and Robin is not so much a developmental model. Rather, it represents a continuum from less to more balance between profit and ethics. These authors label their model as a conceptual model of organizational moral development that identifies five stages of growth. These five stages are perhaps not real stages, but a punctuated continuum.
Lavoie and Culbert mention no specific drivers or motors, whereas Sridhar and Camburn, and Reidenbach and Robin seem to adopt some dialectical theory when focusing on reacting to crises. In fact, these authors mention a whole range of dynamical factors: top management, the reinforcing effect of the organization's success in problem solving and achieving objectives, environmental factors (threats and opportunities), the organization's history and mission (including the influence of founders and their values), and industry factors.
Petrick and Pullins (1992) view organizational moral development as the result of the dynamic interaction of three factors operating at three different levels: extra-organizational (the macro or sociocultural level), intra-organizational (the molar or organizational level), and individual (the micro or personal level).
Logsdon and Yuthas (1987, 1219) consider organizational level of moral development as the dependent variable that is influenced by many other variables. These include individual moral development and other characteristics, top management expectations concerning desired level of organizational moral development, organizational processes such as strategy formulation, distribution of resources and power, reward systems, socialization, and environmental factors, notably, social expectations, industry and local norms, laws and regulations. Apart from the interaction of these variables, the authors assign a pivotal driving role for expectations of top management about how the organization defines its stakeholders and deals with them.

Since the common factor in these nine contributions is their developmental nature, not all contributions necessarily are *climate* theories. Notably, Lavoie and Culbert (1978), speaking of a

types of mentalities and Sridhar and Camburn (1993) offer no explicit climate theory, though their formulations could have been typifications of climates. Reidenbach and Robin are unclear about formulating a climate theory, though their considerations point at different types of moral culture, with a stage character. All contributions refer hardly to climate and culture literature, and if so, not in a critical manner scrutinizing climate and culture concepts and their conceptual relation.

Most contributions confine their considerations to profit-organizations at the neglect of other types of organizations, governmental and not-for-profit alike (RR91; SC93; MG06; MLS10), except for the publications of Petrick and associates (PM90, PP92, PW92) who aim at all sorts of organizations.

From an *empirical* perspective, moral climate generally is considered as the dependent variable, with several antecedents identified, including laws and regulations, and branch-specific or firm-specific circumstances. Several auxiliary theories are introduced, stakeholder theory being the favorite.

From an *evaluative* point of view, it can be expected that authors hold a moral developmental criterion aiming at reaching the next, and eventually the ultimate stage of corporate moral development. Most of the authors do, at the neglect of contingency factors, though in some of the publications discussed, notably of Reidenbach and Robin (1991), Petrick and Manning (190) Maon, Lindgreen & Swaen (2010), a pragmatic contingency criterion with overtones of ethical fit is used, however, without notifying the inherent tension between the moral development and the pragmatic contingency criterion.

Not all developmental contributions contain suggestions for moral climate *intervention*. Those who did mentioned a variety of intervention types. For instance, Petrick and Manning (1990) mention five clusters of modes of intervention. These include (1) management development (MAD), (2) code of ethics (COE) and concrete guidance (COG), (3) organizational ethical appraisal through audits (OEA), evaluation of organizational products and services (EPS) and evaluation of organizational goals and values (EGV), (4) ethics advocate role (ombudsman) (EAR) and ethics training (ETR), and (5) exemplary management behavior (EMB). In fact, this publication is of the few addressing interventions at the organizational level, however, at the neglect of HR instruments. Though one might expect that interventions are formulated and implemented is a stage-sensitive and/or a stage-specific manner, no such elaborations are made.

In sum, the contributions included in this section promise much. However, they are stuck in theoretically overloaded and ill-elaborated models, yet still worth considering. The contributions show gradually move away from Kohlberg's theory and its developmental claims, start with an organizational stage theory of moral development and end up in models describing climate-like situations arranged along a punctuated continuum.

5.3.3 Snell's moral ethos theory

Snell's theory of moral ethos is the most straightforward application of Kohlbergian cognitive moral developmental theory to organizational morality. In this section, the essential characteristics of his contributions are summarized in terms of conceptual and typological issues, empirical issues, evaluative issues, and interventional issues.

- *Conceptual and typological issues*

Snell (1993) build up a theory of "moral ethos", in climate or atmosphere terms (by Snell, 1993, 65) defined as "the social climate which predisposes people toward or away from high ethical standards". Moral ethos is an objective feature in both Kohlbergian terms and additional characteristics. Snell distinguishes six moral ethos types, corresponding to the six stages of development of individual moral reasoning capacity. These six types of moral ethos are (1993, 85):

Stage 1: fear-ridden
Stage 2: advantage-driven
Stage 3: members only
Stage 4: regulated
Stage 5: quality-seeking
Stage 6: soul-searching.

This terminology suggests a rethinking of Kohlbergian theory, yet remaining close to it, while discussing three main criticisms, one concerning its incompleteness, one concerning its hierarchical form, and one concerning its specific content (1993, 27-32). Snell discusses questions and governing considerations typical to each stage of moral reasoning. Furthermore, he mentions moral dilemmas typical to each stage, and describes moral principles and conducts for each stage of moral reasoning. Subsequently, Snell identifies a number of sources of possible variation between one moral ethos and another, by listing the following salient properties, variables, significant features of a moral ethos (1993, 72), as is represented in the table below:

Table 5.3.16 Properties, variables, and significant features of a moral ethos

Tightness
• To what extent is action and feeling rigidly programmed?
• What room is there for individual judgment?
Tone
• How far are people expected to hold to 'high' principles?
• To what extent does action tend to be expedient or exploitative?
Deference to hierarchy
• How strong are the prerogatives of 'rank'?
• How far is one allowed to challenge more senior members?
Positional abuse
• To what extent is power used as a weapon over others?
• How careful are people not to take unfair advantage?
Spread of trust
• How much do people trust those outside their immediate circle?
• To what extent are people suspicious of those they don't know?
Dependence on allegiance
• How important is trust in the running of the organization?
• To what extent are operations pre-programmed and tamper-proof?
Regulatory formalization
• How far are duties spelt out?
• To what extent are roles and codes unspecified?

Adherence
- To what extent do people stick to what is expected from them?
- How common is it for codes to be bent or suspended?

Respect for dignity/integrity
- How strongly are people valued in their own right?
- To what extent are they used merely as pawns or tools?

Intensity of political stakes
- How severe are the consequences of losing in a conflict?
- To what extent are people 'safe' among fellow members?

Concentration of power
- How widely is power dispersed?
- How strong is the power center compared with the peripheries?

Need for stability
- To what extent do people seek to maintain the organizational order?
- How receptive is the organization to changer agents?

Breadth of constituency
- How wide is the net of influential organizational stakeholders?
- How narrowly is responsibility defined?

Openness to criticism
- To what extent does the organization deter outside feedback?
- How genuinely does the organization address public criticism?

Demands on loyalty
- How great is the psychological commitment required?
- How weak is the emotional attachment to the organization?

Developmental openness
- How far does playing one's part lead to personal development?
- How far does one have to suppress creativity and self-awareness?

These properties are then arranged in pairs and explained in detail. Arguments are given why they are particular important (1993, 73-84). The properties or variables have been taken in pairs in order to simplify explanation while illustrating the effects of their interaction.

Ethos types and variables can be put in summarizing schemes that analytical and intuitive, subsequently.

Table 5.3.17 Summary of the typology of moral ethos (analytical)

	Stage one	**Stage two**	**Stage three**	**Stage four**	**Stage five**	**Stage six**
tightness and tone	get a job done at all costs	permissive indulgence			'right-on' rigor	thoughtful self-regulation
deference to hierarchy and positional abuse	oppression and coercion	grafting and 'horse-trading'	paternalistic example-setting			reflective space
spread of trust and dependence on allegiance	cold tedium	secretive scheming		friendly non-challenge	tough open debate	
regulatory formalization and degree of adherence		anything goes	façade, hypocrisy, or implicitly patterned	strictly rule-bound		implicitly patterned

respect for dignity and intensity of political stakes	combat arena	sour anarchy			supportive community	intimate confrontation
concentration of power and need for stability	rigid command	chopping and changing	close bonding		close bonding	flux and trans-formation
breadth of constituency and openness to criticism		impact and profit-led	public image conscious	value for money	dialogue seeking	dialogue seeking
demands on loyalty and developmental openness	unquestioning conformity	instrumental calculation			symbiotic relationship	self-investment

Table 5.3.18 Summary of moral ethos characteristics (intuitive)

ethos/ variable	**stage one (fear-ridden)**	**stage two (advantage-driven)**	**stage three (members only)**	**stage four (regulated)**	**stage five (quality-seeking)**	**stage six (soul-searching)**
governing imperatives	survival	stakeholding; personal advantage	affiliation; fitting in	regulations, accountability	serving all	ongoing ethical dialogue
basis of right to manage	coercion	economic power; private allegiance	social image	certification	proven example	integrity
what is right for members	blind obedience	whatever can be negotiated	looking good	sticking to the rules	enhancing quality	questioning; humility
what is wrong for members	irregularity	failure; breaking contracts	Being disloyal	violating regulations	doing the minimum	assuming one is right
typical ethical weaknesses	violence, robbery, genocide	deception, exploitation, gamesmanship, greed selfishness	Sexism, racism, discrimination	reproducing legal anomalies and omissions	arrogance? over-commitment	failure to support 'lesser evils'?
archetypical examples	fascism; organized crime	casino-capitalism; subverted bureaucracy	gentleman's club; paternalistic partnership	strictly audited bureaucracy	'deep green' producer; caring bureaucracy	spiritual learning community
typical brief for management developers	none	share secrets of winning; business administration theory	tame clever upstarts; indoctrination	procedural training	education in managerial ethics, or organization behavior from a humanistic angle	join as associate
fearsomely disturbing questions	why?	it is really worth it?	does it bear hard outside scrutiny?	what should the rules be achieving?	how do you know it is worthwhile?	what are the limits of our questions?

In a subsequent publication, Snell (2000, 272-273, 279) introduces an extra stage on the conventional level, labeled "conformity" (protecting the rules and interests of specific institutions, such as employing companies and professional bodies), in order to fill the

conceptual, logical, psychological, and sociological gap between Stages 3 and Stage 4. This transitional Stage 3/4 morality is epitomized by the loyal professional or "organization man/woman", who serves the principal, plays by company rules and keeps within the letter of the law, but neglects the need for pro-environmental change. It is more than a coincidence that both Snell and I introduced this in-between stage. It is the only stage with the organization as its moral referent that cannot be overlooked in a business ethics theory attempting to translate Kohlberg's theory of cognitive moral development into a stage theory of organizational moral climates. The claim is put forward that this Stage 3/4 is more than a transient stage, mainly based on the sociological argument that organizations exercise influence on their members with the same impact as families (Stage 3) and societies (Stage 4) do. In his 2000 publication, Snell gives Stage 3/4 a position equal to other stages, explained in terms of criteria for moral reasoning, system of formal moral governance, basis of moral authority, way of deep implicit socialization, morality behind normative structure, and corporate outlook toward stakeholders.

Table 5.3.19 Moral stages applied to moral ethos

Level	Stage	**criteria of moral reasoning**	**formal moral governance**	**basis of moral authority**	**deep implicit socialization**	**morality behind normative structure**	**corporate outlook toward stakeholders**
post-conventional morality	6	meta-empathy, community of moral enquiry, improving traditions	management facilitates open critical discussion of moral assumptions; new moral policies emerge, consistent with basis justice and compassion	moral authority derives from enhancing insights into and sensitivity to various moral issues and perspectives	members exercise moral imagination while keeping to the best moral principles that they can defend	members develop empathy for all moral points of view and seek to improve the organization's moral traditions	management seeks to strength and honor the moral claims of all stakeholder groups through a critical discussion of organizational policies and practices
	5	stewardship, social responsibility and concern for well-being and just treatment	management facilitates open discussion on how to advance the wider 'good'; rules and codes represent emerging consensus	moral authority derives from strengthening policies enhancing the organization's social and environmental impact	members clarify meaning of wider social 'good' and develop firm commitment to the overall approach	members respect the moral rights of other groups and communities and strive to have a beneficial impact on them	management seeks to understand the needs and moral claims of all stakeholder groups and to ensure that these are generally honored
conventional morality	4	social system and conscience maintenance	management reviews rules and codes so as to maintain consistency and integrity in changing circumstances	moral authority derives from improving the niches in which the organization thrives	members value and defend the systems and moral traditions which sustain the organization	members aim to enhance the systems in and through which the organization thrives	management anticipates and addresses the needs and expectations of those stakeholder groups with formal rights and entitlements
	¾	institutional conformity	management's rules and codes derive from tradition and appeal to members' duty	moral authority derives from respecting members' sense of occupational pride	members come to see the organization as worth protecting for its own sake	members put the immediate interests of the organization first	management seeks to ensure the organization is trusted to respect stakeholders'

							legal rights
	3	interpersonal approval	management's rules, codes, and implied expectations appeal to members' loyalty and desire for approval	moral authority derives from being kind, showing goodwill and benevolence	members learn how to appear especially helpful and trustworthy to their superiors	members help and are loyal to the groups to which they belong, or to individuals whom they respect	management projects a pleasant self-image by maintaining good relations with gatekeepers
pre-conventional morality	2	instrumentality	imposed rules, codes and commands serving narrow interests are backed by clear penalties	moral authority derives from the prerogative to impose rules, targets, sanctions and incentives	members learn how to follow, bend or break the rules, according to self-interest	members expect one another to pursue calculated self-interest	Management negotiates with of buys off particular stakeholder groups when it sees this as being in its own best interest
	1	coercion, obedience and punishment	imposed rules, codes and commands and backed by threats and arbitrary sanctions	oral authority derives from the power to threaten punishment	members learn to be seen to obey the wishes of authorities	members do as they are told, or else	'force or be forced' power struggles govern management's policy decisions

Snell tries to arrive at thick descriptions by introducing other concepts to enrich the bare Kohlbergian stage descriptions, first by introducing the aforementioned sixteen salient properties, variables, and significant features of a moral ethos (1993, 72-84, arranged in eight pairs:

1. tightness and tone,
2. deference to hierarchy and positional abuse,
3. spread of trust and dependence on allegiance,
4. regulatory formalization and adherence,
5. respect for dignity/integrity and intensity of political stakes,
6. concentration of power and need for stability,
7. breadth of constituency and openness to criticism,
8. demands on loyalty and developmental openness.

It seems that Snell has introduced these concepts to arrive at what we have called thick descriptions of moral ethos types. However, this maneuver raises a number of questions as well as critical remarks. It does not become clear, as to why precisely these sixteen dimensions, variables, properties or features were chosen, and why they were arranged in exactly these eight pairs. Snell does not give a specific and convincing rationale for these maneuvers, though they are not self-evident, and, in fact, arbitrary. That is, other possible characteristics could also bear relevance to moral ethos theory, for example style of conflict resolution, leadership style, degree of safety, degree of supportiveness. Another point can be made with regard to the choice of features. The type of characteristics described by Snell concern primarily features of organizational culture, which could possibly lead to some circularity, when these features are combined with a Kohlberg-based stage theory (for instance, loyalty and Stage 3/4, respect for

dignity and integrity and post-conventional stages.
Nevertheless, this maneuver is a worthwhile attempt to arrive at thick moral ethos descriptions. In a subsequent publication, Snell (2000) addresses antecedents and consequences of moral ethos, in an attempt to make his theory more comprehensive. Outside norms and expectations and organizational leaders' moral reasoning capacity were expected to impact moral ethos. According to Snell (2000, 277), the effect of government legislation may be indirect, since whether the organization leads or follows the law, whether and how the organization lobbies legislators, and how the organization goes about ensuring legal compliance by its members, is likely to depend on the leadership. Another external determinant Snell distinguished concerns anomie, cynicism, and disillusionment regarding how business is done across a particular industry, even an entire society, may depress moral standards within constituent organizations. The aspects distinguished by Snell include the aforementioned approaches to formal moral governance, the basis of moral authority, the morality behind normative structure, and corporate outlook towards stakeholders. These aspects appear to be chosen just as arbitrarily as the features of moral ethos; yet they represent important aspects, probably at the neglect of other aspects.
Snell also identified five pairs of possible outcomes, including integrity versus fraud and bribery, equal opportunity versus social discrimination, employee development versus exploitation, assured safety versus hidden dangers, and environmental protection versus damage. As in many outcome based approaches of moral climate, it can be asked whether these outcomes are in fact defining characteristics of certain moral climate types instead of their outcomes (for instance, commitment or unethical behavior). In sum, this approach represents an effort to get hold on the dynamical aspects of moral ethos types in terms of antecedents and outcomes, though these may not be the only ones, and even not the essential ones. Therefore, despite its descriptive merits, Snell's model lacks explanatory power, for instance by explaining how industry characteristics affect the moral ethos of an organization.

An essential flaw of Snell's approach to moral climate is the lack of clarity about the ethos part of his concept. It is meaningful that he uses different concepts, including moral climate, moral ethos, moral atmosphere, however without referring to climate concepts and climate discussions. Therefore, it remains enigmatic what kind of ontological entity an ethos type exactly is.
Two essential concepts in Snell's approach are leadership and leadership development through ethics training. In subsequent contributions, Snell and associates explored interesting extensions and applications of moral climate theory, especially by investigating moral ethos in a Chinese context (Snell, Chak & Taylor, 1996; Snell, Taylor, Chu & Drummond, 1999, and Snell & Tseng, 2001, 2002). Finally, in several of his publications, Snell anticipates connections between moral ethos and organizational learning (Snell, 2001) while suggesting to use Kohlberg's just community concept as the basis of the learning organization.

- *Empirical issues*

In his subsequent contributions, Snell developed the Moral Ethos Questionnaire MEQ), as distinct from the Moral Climate Questionnaire advocated by Victor and Cullen. Because this MEQ was not available it its more definitive form, no critical examination of this instrument

could have taken place. Nevertheless, the questions Snell constructed in his 1993 contribution were subject of critical inquiry, as was reported of above.
There was no systematic research investigating moral ethos as a variable in between antecedents and consequences. Instead, moral ethos/climate/atmosphere was used as an independent variable and a mediating variable, and sometimes as an outcome variable. Organizational learning was considered as an outcome variable, whereas the position of leadership as a variable was not specified, though at some places suggested to be an independent variable (Snell, Chak & Taylor, 1996).

- *Evaluative issues*

In line with the Kohlbergian paradigm, Snell adopts a moral developmental criterion for climate evaluation. However, he fails to adopt a genuine developmental criterion while using Stage 5 as a definite criterion. At places, he seems to refer to a pragmatic contingency criterion when suggesting that managers' style of moral reasoning should align with the present moral ethos.

- *Interventional issues*

Snell embraces a typical action-oriented approach, while emphasizing leadership development through ethics training. Because of the impact of industry characteristics on organizational moral ethos, this position may be too optimistic. Considering learning organizations from a just community approach, may be a position too demanding from the perspective of organizational effectiveness. Advocating a bottom-up approach of constructing and implementing a code of ethics may be due to the same type of wishful thinking. In organizations reflecting a lower stage moral ethos type, this simply will not work out. In this vein, Snell does not consequently use a developmental point of view while neglecting stage-sensitive and stage-specific modes of intervention.

In sum, the moral part of Snell's moral ethos concept has more convincing features than its climate part. Most important is the introduction of Stage 3/4, having the organization as its moral referent. Furthermore, Stage 5 has undergone some rethinking, whereas the Moral Ethos Questionnaire was developed and adapted to other Chinese contexts. Snell's intervention theory, though moral developmental, is not stage-sensitive and stage-specific. Moreover, it is restricted to management development and ethics training for management, representing an action-oriented emphasis on leadership behavior, while neglecting more structural features of moral ethos, including organizational strategy, structure, and production processes. A promising elaboration is connecting the moral ethos to organizational learning and the learning organization.

5.3.4 The ethical climate model of Victor and Cullen

Extreme popular and influential if not dominating is the ever-expanding chain of empirical investigations on 'ethical (work) climates' (the terms commonly used) that was initiated by Victor and Cullen (1987; 1988; 1990) and their associates and followers (Cullen, Victor & Bronson, 1993; Cullen, Victor & Stephens, 1989; Martin & Cullen, 2006). No less than 126 studies were included, whereas another 48 studies included in other sections referred directly to publications

of Victor and Cullen (for the most part, VC87 and VC88) (in sum, n=174). These references include Al08, BBR00, BT06, CA93, CH93, CH95, CH08, EDK02, FLF97, GE05, HF01, ILS07, JDA04, JFB07, KA08, KA09, KEY99, LOF97, LY97, MKW97, ML96, ME93, MS02, MJL07, MJL08, MTS09, NBW04, OL98, RR91, SCH01, SFI97, SG07, SH05, SHI05, SIL00, SMI06, SN93, SN00, STC99, SV10, TSU03, TR00, TN07, VOP96, VGF07, WCL04, WCL06, and WCL01. There is no score of publications referring indirectly to Victor and Cullen publications, that is, to other studies using their model (since most of these studies are already included in section 4).

In this section, the ethical climate typology of Victor and Cullen is discussed, as is its accompanying research instrument – the *Ethical Climate Questionnaire* (ECQ) – constructed to empirically verify the existence of the alleged moral climate types included in the typology. Arnaud and Schminke (2007) estimated that this model has provided the basis for over 75% of all ethical work climate research since 1987. I would add to this estimate that it depends on the definition used and the modes of searching. In the present study, of the approximately 300 studies found, just about one half, 126 **(48.8%)** were using the model of Victor and Cullen and their Ethical Climate Questionnaire, or some derivative, though many more authors referred to the model (n=43). These 126 publications using the typology and/or ECQ, many of which were published in the *Journal of Business Ethics*, can be arranged into the following categories according to their central intention:

Table 5.3.20 Type of publication

type of publication	score (n=127)*)
conceptual texts	27
research texts	107
instrument evaluation texts	6
review texts	3
handbook texts	0

* the total number may accede the number of texts, since texts may fall within two or more categories, for instance because many research texts contain conceptual parts or instrument discussion parts as well

Table 5.3.21 Source of publication

source of publication	score (n=127)
journal articles	111 (of which 62 in JBE and 3 in Annuals)
book chapters (monographs)	5
book chapters (readers)	4
monographs	0
published dissertations	1 (LMG04)
unpublished dissertations	10 (reviewed 4: MAE04; ROY09 VS01 WO85; not available 6: AR06; EL89 MCK93 OG91 UP93 WIM91
conference papers	11 (2 not available)
unpublished research reports	3)

The contents of some unpublished dissertations may yet be available through articles based on that particular dissertation (Upchurch 1993; Wimbush, 1991). In this section, the reviews of

these 126 contributions are summarized; the complete reviews can be found in section four on the CD-ROM. Three publications - Kish-Gephart, Harrison, and Treviño (2010), Treviño, Butterfield, and McCabe (1998), and Treviño and Weaver (2003) - were included in both section 4 and 5, and are discussed at length in section 5. They are included in section 4 as well because of the shift of Treviño et al to the model of Victor and Cullen, while retaining their own perspective on ethical culture (as is discussed in next subsection).

- *Conceptual and typological issues*

Most authors used the term (organizational) ethical (work) climate, though in some publications other variations occur, notably, climate regarding ethics (DS01; EG07; GR04), and ethical profile (DSK98). Though different, these terms refer to the same phenomenon.
Essentially, the typology of Victor and Cullen model is built upon a double distinction: ethical criteria with different decision-making rules in moral reasoning, and three loci of analysis. Concerning the ethical criteria, three ethical theories are referred to:

- *egoism*: an egoistic or instrumental criterion is based on the moral philosophy of egoism, which implies that a consideration of what is in the individual's best interest will dominate the ethical reasoning process (often briefly indicated as maximization of self-interest)
- *benevolence*: the benevolence or utilitarian criterion is based largely on utilitarian principles of moral philosophy, which suggest that individuals make ethical decisions by considering the positive or negative consequences of actions on referent others (briefly indicated as maximization of joint interests)
- *principles*: the principled or deontological criterion is based largely on deontological principles of moral philosophy, positing that individuals make ethical decisions after considering actions concerning universal and unchanging principles of right and wrong (briefly indicated as adherence to duties, rules, laws, or standards).

These ethical decision-making dimensions are matched with three organizational referents or loci of analysis: individual, local, and cosmopolitan. In a local role, the reference groups of role definition are within the organization (such as the work group), as in the cosmopolitan case, sources of role definition are outside the organization, that is, in a social system external to the system in which the actor is embedded, like a body of law of professional norms. For instance, professionals are supposed to refer to role definitions and professional norms of behavior outside the organization and be less 'organization men and women'. Therefore, cosmopolitan sources of ethical reasoning can be abstract concepts, generated outside organizations but used inside organizations as part of the institutionalized normative system (Merton, 1957; Gouldner, 1957a; 1957b). In addition to the cosmopolitan level, Victor and Cullen (1988, 106) conceptualized another locus external to the focal organization or group. Labeled individual, this locus is external to the focal organization in the sense that the prevailing climate is a referent for ethical reasoning located within the individual. Examples of such a climate would be prevailing norms such as those supporting the use of one's personal ethics or engaging self-interested behavior.
In combination, the model of Victor and Cullen theoretically consists of nine ethical climate

types, as is represented in the table below.

Table 5.3.22 The ethical climate typology of Victor and Cullen

locus ethical criterion	individual	local	cosmopolitan
egoism	self-interest	company interest	efficiency
benevolence	friendship	team play	social responsibility
principle	personal morality	rules and procedures	law / professional code

To explain the "moral" part of their moral climate concept, Victor and Cullen relate their model to the theory of Kohlberg by suggesting that individuals use similar criteria in the development of ethical reasoning. It would be just as tempting as it will be time consuming to reconstruct the genealogy of how authors used or diverged from Kohlbergian notions. Appendix 2 offers a complete overview of which authors referred to which titles of Kohlberg, associates, and critical CMD followers (notably, Gilligan and Rest). However, this reconstruction would not be worth the effort to find out 'where it all went wrong', since this genealogical point already lies within the initiating texts of Victor and Cullen (notably, VC87 and VC88). Though many users of the typology and Victor and Cullen typology uncritically adopt it, some users do refer to Kohlbergian literature, however mostly obliquely. One might expect a decreasing frequency of references to Kohlbergian publications over time. When choosing a cut-off line, for instance 2000, a comparison can be made between publications before (up to and including 2000), and after that point in time (2001 and thereafter) with regard to their use of Kohlbergian literature (and, for quibblers, of course, which texts, and how often). However, the figures refuse to confirm the hypotheses convincingly. Of the texts published before 2001 (n=41), 13 (32%) did not refer to Kohlbergian publications, whereas 28 (68%) did. Of the publications coming out after 2000 (n=90), 40 (44.4%) did not refer to Kohlbergian publications, while 51 (56.6%) did. However, as expected, there is a decrease of references (minus 10 percent points). When considering only the Victor and Cullen oriented publications of the last five years, the trend to ignore the alleged Kohlbergian origin of the model continues. Of the texts published after 2005 (2006-2010) (n=39, duplications not counted in), 20 (51.2%) referred to Kohlbergian publications, whereas 19 (48.8%) did not. A closer look at patterns of reference reveals some interesting details when considering the number of references to Kohlbergian literature per publication and the use its defining characteristics. Arnaud (2006) and Arnaud and Schminke (2006, 2007) tried to improve the Ethical Climate Questionnaire while turning it into the Ethical Climate Index based on Rest's four component concept of morality (including morale sensibility, moral judgment, moral motivation, and moral character). Other frequent referrers are Lemmergaard (2004), Maesschalck (2004), Schminke, Ambrose, and Neubaum (2005), and Schminke, Arnaud and Kuenzi (2007), in all occasions to describe historical antecedents, unfortunately, not very critical. In fact, a distinguishing feature of staying close to Kohlbergian premises is upholding its developmental stage character and its elaboration into moral atmosphere theory. Concerning the first expectation, Elm and Nichols (1993), Forte (2004a; 2004b), and Weber (1990, 1991, 1995) maintain the developmental character of moral climate,

however without doing justice to theoretical differences between Kohlberg's developmental theory and the typology of Victor and Cullen, nevertheless trying to contribute to cognitive moral developmental theory by applying it in an organizational setting.

Concerning the second expectation, the peculiar phenomenon occurs that no less than 50 publications (doubles included) - AM99; AAS07; BS02; BS00; D96a; D96b; DGJ00; DJ08; DJS10; DU04; EN93; FO04a; FO04b; FRE00; JT05; JD97; LMG00; MAE04; MT99; MA01a; MA01b; MA03; MAR03; MC06; MKG09; NMS04; PC03; RB06/RB07; SAN05; SAK07; SK94; SK97; TH08; UR95/96; UP98; VS01; VSZ06; VAR01; VC88; WEB07; WKP03; WS91; WS94; WS97a; WS97b; WO05; WOB06; WJ97 - refer to Kohlbergian publications (including Higgins, Power & Kohlberg, 1984; Higgins & Gordon 1985/1986; Kohlberg, 1983b; Kohlberg, 1984, Kohlberg, Levine & Hewer 1983; Power, Higgins & Kohlberg 1989). Though these publications contain a discussion of moral atmosphere concept, all these publications ignore the moral atmosphere concept and its measures. A closer look at the neglecting publications reveals that, for the most part, these are written by a selected group of influential authors, as the genealogical overview in Appendix 2 shows. This may further explain the neglect of the Kohlbergian origins of moral climate theory.
Authors that did seriously resume Kohlbergian stances (besides Weber), use it a model of their own, as did Olson (section 6.5), Snell (section 3), and Treviño (section 5), with their respective associates and followers, while others focus on the developmental aspects of organizational ethics, thus constituting a cluster of research on its own (section 2).

Instead of 'persecuting the culprits', I continue discussing the contents and the foundations of the typology of Victor and Cullen. According to Victor and Cullen, Kohlberg's six stages of moral development, ranging from egocentric obedience and punishment to universal principle show, are three bases of moral judgment, following the three major classes of ethical theory. Thus, the authors assume that types of organizational ethical climates exist that differ in terms of the three classes of ethical theories, based on the assumption that ethical climates in organizations, as functions of aggregated individual perceptions of ethical norms, divided along dimensions similar to Kohlberg's ethical standards. Others (for instance, Elm & Nichols, 1993, and Barnett & Schubert, 2002, 281) go even further when stating that Kohlberg did describe stages of moral development as being consistent with three types of ethical standards: self-interest, caring, and principle. Despite the alleged inherent relation to Kohlberg's theory of cognitive moral development, Victor and Cullen (1988, 105) present reasons to diverge from the Kohlbergian paradigm, more in particular by abandoning its developmental sequence character:

> "Because climate is a group or organization concept, types of ethical climates are classifications of groups or organizations only and are not assumed to follow the developmental sequence that is hypothesized for individuals. Moreover, as Kohlberg (1984, 87) noted, individuals at various stages of moral development can exist in groups with normative systems that differ from their own level of moral development. However, behavioral compliance with a group or organizational climate incongruent with an individual's level of moral development may lead to adaptive reactions such as stress and whistle blowing".

Victor and Cullen discuss another argument to demonstrate that individual moral development

differs from the moral reasoning base of ethical climates, by arguing that the types of individual ethical reasoning are relatively incompatible, while in organizations a mixture of argumentation styles can be expected, depending of what dimension is dominant. Individual people who are benevolent tend to be less cognizant of laws or rules and may also be less amenable to arguments employing rules or principles, contrasted to people who are principled that tend to be less sensitive to particular effects on others. Given this, Victor and Cullen (1988, 105) argue, organizations might also be expected to develop relatively distinct forms of ethical climates, such that organizations or subgroups within organizations may be prototypically benevolent, principled, or egoistic. However, though there may be a dominant moral climate type in an organization or a group, organizations do not have single climate types, as research by Victor and Cullen and others revealed.

It is true that Victor and Cullen touch the important issue of turning a theory of individual morality into an organizational theory. However, this issue can easily be dealt with by speaking about collective modes of moral argumentation as part of organizational culture, and hence, an organizational attribute - perceived more or less accurately for those knowing what to look for - with some sustainability or even persistence. More serious is the careless reading and interpretation of Kohlberg's theory, as will be discussed below. Before doing so, we first address the "climate" part of the concept.

The "climate" part of their moral climate concept gets lesser attention. Following Schneider (1975), Victor and Cullen define climate as "the stable psychologically meaningful perception members of organizations hold concerning ethical procedures and policies existing in their organizations", thus embracing a *perceptions* approach to moral climate. Other authors, notably Malloy and Taylor (1999), suggested comparing a perceptual approach with a structural approach. The assumption of the former is that the members of an organization interpret the organizational reality ideographically and construct a "perceptually-based, psychologically-processed description of the situation", whereas the latter focuses upon objective/verifiable elements of the organization (including size, centralization, hierarchy, policy, codes of conduct). The combined effects of individual perception (subjective awareness) and the organization's structural elements (objective conditions) is the basis of the interactive approach. It is thought that the interaction of members with the variety of nomothetic factors creates a shared and fluid perception of organizational climate. The authors consider the cultural approach - as advocated by, among others, Moran and Volkwein (1992) - as the most comprehensive approach. As organizational members share the organizational culture (that is, a common sense of history, values, and purpose), they come to understand the situational contingencies as imposed by organizational conditions faced daily. The cultural approach (such a Schein's) views climate as existing in the layers external to the core (the organization's tacit assumptions)). These layers include nomothetic attitudes, values, behaviors, and artifacts. As a result, Malloy and Taylor perceive climate as a relatively pliable and informal organizational construct that may be an efficient and effective level from which to initiate organizational intervention, such as the promotion of ethical behavior. However, in subsequent contributions, Malloy, Agarwal, and associates seem to return to a perceptions approach, apparently the interactional approach outlined above. This is symptomatic for a more general neglect of climate theory in many

contributions to moral climate theory.

- *Empirical issues*

Because of its charming simplicity, the typology of Victor and Cullen has gained much attention, as the proportion of moral climate contributions using this typology shows (n=**126**). As was noted earlier, the model of Victor and Cullen has a tremendous spin-off in terms of research, in countries (United States, Canada, Belgium, Russia, Denmark, India, Israel, Brazil, Taiwan, China, Turkey, Nigeria, Philippines, South Africa), sectors (profit, not-for-profit, governmental organizations), and types of industry (including accounting firms, health care organizations, sports organizations, telephone companies, department stores, banks, academic organizations, and high tech firms, to mention some of the organizations in which researched was carried out). In most of the research using the model of Victor and Cullen and its research instrument, the Ethical Climate Questionnaire (ECQ), ethical climate is taken as the independent variable, with job satisfaction, person-organization fit, organizational commitment, turnover (intentions), safety behaviors, ethical decision-making, and unethical behavior. Only few contributions report of moral climate as a dependent variable, notably Bourne and Snead (1999) who refer to environmental determinants, and Arnaud and Schminke (2007), who offer an overview of determining variables. Other publications refer to the impact of national culture, for instance, Parboteeah, Cullen, Victor, and Sakano (2005). Many authors recognize the mediating effect of exemplary leadership behavior on ethical climate.
Finally, nearly all research is quantitative by nature, with a few exceptions, notably Rasmussen, Malloy, and Agarwal (2003) who conducted two times twelve in-depth interviews on a qualitative base (twelve in governmental and nonprofit organizations, each).

The ECQ exists in several versions. The earlier version contained 26 items, whereas the new version, depicted below, consists of 36 items, four for each theoretical type. Respondents were asked to indicate on a 6-point Likert-type scale how accurately each of the items described their general work climate. The ECQ is introduced by brief instructions to observers:

'We would like to ask you some questions about the general climate in your company (or other unit reference). Please answer the following in terms of how it really is in your company, not how you would prefer it to be. Please be as candid as possible; remember, all your responses will remain strictly anonymous.
Please indicate whether you agree with each of the following statements about your company. Please use the scale below and write the number which best represents your answer in the space next to each item.
To what extent are the following statements true about your company?"

Completely false	Mostly false	Somewhat false	Somewhat true	Mostly true	Completely true
0	1	2	3	4	5

The first 26 items were reproduced from the original questionnaire (Victor and Cullen, 1987; Victor and Cullen, 1988), whereas the final 10 items were added subsequently and were undergoing validation testing at the moment of publication (1993).

EI	1.	In this company, people are mostly out for themselves.
EC	2.	The major responsibility for people in this company is to consider efficiency first.
PI	3.	In this company, people are expected to follow their own personal and moral beliefs.
EL	4.	People are expected to do anything to further the company's interests.
BI	5.	In this company, people look out for each other's good.
EI	6.	There is no room for one's own personal morals or ethics in this company.
PL	7.	It is very important here to follow strictly the company's rules and procedures.
EL	8.	Work is considered sub-standard only when it hurts the company's interest.
PI	9.	Each person in this company decides for themselves what is right and wrong.
EI	10.	In this company, people protect their own interest above other considerations.
PI	11.	The most important concern in this company is each person's own sense of right and wrong.
BL	12.	The most important concern is the good of all the people of the company as a whole.
PC	13.	The first consideration is whether a decision violates any law.
PC	14.	People are expected to comply with the law and professional standards over and above other considerations.
PL	15.	Everyone is expected to stick by company rules and procedures.
BI	16.	In this company, our major concern is always what is best for the other person.
EL	17.	People are concerned with the company's interests - to the exclusion of all else.
PL	18.	Successful people in this company go by the book.
EC	19.	The most efficient way is always the right way, in this company.
PC	20.	In this company, people are expected to strictly follow legal of professional standards.
BL	21.	Our major consideration is what is best for everyone in the company.
PI	22.	In this company, people are guided by their own personal ethics.
PL	23.	Successful people in this company strictly obey the company policies.
PC	24.	In this company, the law or ethical code of the profession is the major consideration.
EC	25.	In this company, each person is expected, above all, to work efficiently.
BC	26.	It is expected at this company that employees will always do what is right for the customer and the public."
BL	27.	People in this company view team spirit as important.
BC	28.	People in this company have a strong sense of responsibility to the outside community.
El	29.	Decisions here are primarily viewed in terms of contribution to profit.
BC	30.	People in this company are actively concerned about the customer's, and the public's interest.
BL	31.	People are very concerned about what is generally best for employees in the company.
BI	32.	What is best for each individual is a primary concern in this organization.
EI	33.	People in this company are very concerned about what is best for themselves.
BC.	34.	The effect of decisions on the customer and the public are a primary concern in this company.
BI	35.	It is expected that each individual is cared for when making decisions here.
EC	36.	Efficient solutions to problems are always sought here.

The problem is, that both versions of the ECQ (and other versions as well) did not lead to empirical verification of the nine possible ethical climate types. In the discussion below, some critical notes of users of the typology can be heard. Because the ECQ was revised many times and used in several versions, there is no common basis for meta-analysis or even for comparison, as the table below in which VanSandt (2001) summarized some of the research findings of other researchers illustrates.

Table 5.3.23 Variations in the Victor and Cullen model

study / climate type	EI	EL	EC	BI	BL	BC	PI	PL	PC
VanSandt 2001	*		*	*		*	*	*	*
Victor & Cullen 1987	*		*	*		**	*	*	**
Victor & Cullen 1988	*		*				*	*	*
Cullen, Victor & Bronson 1993	*		*	*		*	*	*	*
Wimbush et al 1997a	*					*	*		*
Wimbush et al 1997b	*			*		*	*		*
Agarwal & Malloy 1999	*			*		*	*		*
Smith, Thompson & Iavocou 2009	*	*	*		*	*	*	*	

* = climate type identified

** = climate type identified in conjunction with a non-adjacent cell

This scheme, constructed by VanSandt could be completed by adding the findings of the numerous other contributions. Based on the results of the studies reviewed, VanSandt (2001, 29-30, 80, 81) concludes that four of the predicted climate types (Instrumental, Caring, Independence, and Laws and Code) have been verified in all of the studies done to date, thus providing strong evidence of their existence. Furthermore, he concluded that the climate types within the local locus of analysis have been particularly unstable (also found by, for instance, Fritzsche, 2000, Malloy & Agarwal, 2001a, Ambrose, Arnaud & Schminke, 2007, and Smith et al 2009). According to VanSandt, this could indicate a problem with the ECQ when the ECQ items may not be descriptive of what respondents think of a firm specific. As an explanation, he suggests, it could indicate a lack of identification at the organizational level, as was suggested by Malloy and Agarwal (2001a). Alternatively, the locus of analysis axis is best viewed as a continuum, rather than as a discrete variable: because of the infinite variation possible in "whom" or "what" is considered in ethical deliberations, it may be inherently difficult for respondents to make these distinctions required to classify ethical climates along the locus of analysis axis.

From the perspective of stakeholder theory, Jones, Felps, and Brigley (2007, 144) criticize the model of Victor and Cullen for not dealing properly with the variety of possible stakeholder claims and separating out the precise ethical foundations of stakeholder concerns. Furthermore, the locus of analysis dimension does not what it promises. It suggests a continuum of concern for others, but the authors actually mean something quite different: sources of reference for ethical reasoning within the organization. Individual applies to personal moral standards, local to internal organizational sources, and cosmopolitan to sources outside the organization. Furthermore, Jones et al claim that the ethical criteria have different meanings across the three loci of analysis and, when combined with each locus, yield criteria that are quite ambiguous from a stakeholder group's point of view. As an example, they mention the *cosmopolitan egoism* ethical climate type, suggesting a broad concern for stakeholders,. However, one form of this category is "efficiency," which, according to economic theory, would mean firm profit maximization without regard for the interests of non-shareholder stakeholders. Similarly, an example of cosmopolitan principles is "laws and professional codes," which again may have nothing to do with the interests of many stakeholders. No wonder, Jones et al consider stakeholder culture

offering a better means of understanding firm stakeholder relationships from an ethical perspective. In a similar way, Maesschalck (2004) asks, when ECQ items ask for expectations, whose expectations should respondents have in mind: customers, peers, superiors? From the criticism outlined above, the continuum solution is not appropriate.

Many authors (Filipova, 2009; Peterson, 2002a; 2002b; Smith, Thompson & Iacovou, 2009; VanSandt 2001) report of scoring difficulties with the ECQ, and some of them omitted locus of analysis dimension for being not robust (Elm & Nichols, 1993; Filipova, 2009). However, in only one contribution the authors (Stone & Henry, 2003) chose to introduce a distinct level to tap the organizational perspective as different from the team/group perspective. Stone and Henry (2003) developed the ethical climate model, consisting of the ethical criteria as formulated by Victor and Cullen, but adding 'workgroup' to the locus of analysis dimension (as in the scheme presented below). This inclusion of workgroup allows a direct focus on peer or informal influences, differentiating them from formal organizational influences. Stone and Henry relabeled the category local as organization (company) because they consider the latter as more descriptive, as is indicated in the table below.

Table 5.3.24 The adapted Victor and Cullen model as proposed by Stone and Henry (2003)

locus ethical criterion	individual	workgroup	local	cosmopolitan
egoism	self-interest	workgroup interest	company interest	efficiency
utilitarian	friendship	team play	company team	social responsibility
principle	personal morality	informal codes	rules and/or company code	law / professional code

In the same vein, Maesschalk (2004, 42) proposed a further subdivision within the principle-cosmopolitan cell into an orientation on laws and an orientation on public interest. Of course, the addition of separate team level referent does not solve the conceptual problems of the model itself. Nevertheless, apart from Fritzsche (2000) (introducing the "company ethical work climate") and Webber (2007), Stone and Henry are two of the few authors, if not the only ones, who challenged the structure of the model of Victor and Cullen, whereas all authors used the model in an uncritical manner, despite reporting their accidental unease with it. A common conclusion of many researchers is that findings at least suggest an unstable factor structure. Instead of scrutinizing the typology and its assumptions, many authors chose to adapt the typology and the research instrument, for several reasons (Arnaud, 2006; Arnaud & Schminke, 2006; Lemmergaard, 2004; Maesschalk, 2005):

- questionnaire items were reformulated in order to better reflect climate types
- questionnaire items were adapted to specific research populations (for instance, the ECQ version for governmental organizations has no references to profit, but instead refers to public interest)

- questionnaire items were reformulated because of translation problems leading to shift of meaning (as occurred with translation into Danish or into Flemish (Lemmergaard, 2004, Maesschalck, 2004)
- questionnaire items should reflect a broader conception of morality aiming not only on collective moral judgment, but also on collective moral awareness, collective moral action, and collective moral character (Arnaud & Schminke, 2006).

*Table 5.3.25 Type of variable in moral climate theory and research in Victor and Cullen oriented publications**)*

type of variable	contributions
independent (*85*)	AC05; AM99; AS06; AAS07; ADL05; AF08; AS07; BS02; BH98; BCF08; BS00; BU05; BO08; CR06; CBV03; CVB93; DCL97; D96a; D96b; DGJ00; DJ08; DJS10; DSK98; DB09; EA08; EN93; ESO04; FM02; FO04a/FO04b; FRE00; FRI00; GA91; GT10?; JT05; JD97; KD91; KLF01; KHT10; KE07; KB01; LS01; LEU08; LC96?; MC06; OK02; OW08; PC03; PB08; PE02a; PE02b; RE02; RB06/RB07; RH00; SAK07; SH08; SH09; SK94; SK97; SLR10; SM09; STI09; TH08; TBM98; TW03; UR95/UR96; UP98;RP02; VBB96; VS01; VSZ06; VAR01; VC87/VC90?; WES02; WPK03; WS97a; WS97b; WO05; WOB06; WC97
dependent (*34*)	AS07; BS99; CVS89; DB09; DBM10; DU04; DS01; EAT05; EBW02; FIL09; GT10?; GR04; LL08; MA01a; MA01b; MA03; MAR08; MC06; M097; NMS04; PC05; RMA03; SAN05; SIM92; SH03; VG08; VC88; WE95; WES02; WS91; WS94; WS967a; WC96 ; WG10
moderating (*4*)	AS07; BV00; MT99; ROY09
mediating (7)	EG07; LEM94; LMG04; MAE04; MAE05; SB02; TS04?
unspecified (*2*)	MKG09; WEB07

*) Because researchers may use complicated designs, the total score exceeds the number of publications included.

The table offers a clear picture. For the most part (64.4%), users of the Victor and Cullen typology take moral climate as an independent variable, whereas 25.76% considers moral climate from an opposite perspective. Taken together, in 8.33% of the cases, ethical climate is considered as an intermediate variable, either mediating or moderating, whereas the remaining 1.5% is unspecified. The mediators and moderators offer the following moral climate position: moderating between ethical judgment and behavioral intentions (BV00), between moral intensity of issues and ethical decision-making (ROY09). Malloy and Taylor (MT99) consider moral climate as a moderator, however without explicitly mention the independent variable. Moral climate is mediating between leadership (independent) and organizational commitment (EG07), between societal norms, organization forms, firm-specific factors and behavioral tendencies (LEM94), between level of individual cognitive moral development, ethnic diversity and (un)ethical behavior and organizational socialization (LMG04), between intra- and extra organizational interaction patterns and ethical decision-making unethical behavior (MAE04/MAE05), between leadership behavior and unethical behavior (SB02), and between organizational form and degree of moral autonomy and ethical behavior (TS04).
To complicate the figures, some authors (AS07; GT10; MC06; TS04; WES02; WOB06) consider ethical climate as both a dependent and an independent variable (and in fact, as either a moderator or a mediating variable). In two review articles (Arnaud & Schminke, 2007, and Martin & Cullen, 2006), an overview of possible antecedents and consequences is discussed.

These include business type, organizational form and department structure, leadership (antecedents) and employee moral reasoning, ethical decision-making, unethical behavior, and employee attitudes and perceptions (consequences) (AS07), external organization context, organizational form, and strategic and managerial orientations (antecedents) and commitment, job satisfaction, psychological well-being, and dysfunctional behavior (consequences) (MC06), with moral climate as an intermediating variable, apparently.
Goldman and Tabak (2010) put moral climate in between nurses' demographic characteristics (gender, tenure) and job satisfaction. As it seems, Tsahuridu (2004) considers ethical climate as a mediator between organizational form (cause) degree of moral autonomy and ethical behavior both inside and outside the organization (effect). Sinclair (1993) and Weber and Seger (2002) consider ethical climate as caused by departmental tasks and stakeholder relationships, while causing subclimates, whereas Woodbine (2006) places moral climate in between Chinese political culture and job satisfaction.
Finally, Lending and Slaughter (2001, 198) consider ethical climate as both an independent and a moderating variable, moral climate moderating software piracy attitudes. Since no antecedents were mentioned, the authors probably have moral climate in mind as the independent variable and software piracy attitudes as the outcome variable.
It would be interesting to examine which dependent (output) variables authors consider when taking moral climate as the independent variable (causing variable). Even more interesting is examining the variables causing moral climate (as an output variable). In this overview, the variables are included considered by those authors who consider moral climate as either a moderating or a mediating variable as intermediate variables between causing and output variables.

*Table 5.3.26 Outcome variables when moral climate is the independent variable**) (n=85)

outcome variable	score	contributions
psychological distress	1	AC05
psychological well-being	1	MC06
moral awareness	2	VS01; VSZ06
spirituality	1	PC03
person-organization fit	2	AAS07; KE07
employee and job attitudes	2	AAS07; AS07
job satisfaction	**14**	CR06; D97b; EA08; FRE00; GT01; JD97; KM08; KB01; MC06; OK02; OW08; SK94; SK97; TH08
commitment	**23**	ADL05; AF08; BCF08; BO08; CPV03; DSK98; EG07; KD91; KM08; LEU08; MC06; ME07; OW08; RP02; RH00; SH09; SLR10; SK94; TH08; TBM98/TW03; WO05; WOB06
turnover (intention)	2	SK94; SK97
leadership style	4	UR95/UR96; WS91; WS94
communication	1	RH00
conflict professional/organization	1	SH09
trust	4	DSK98; KLF01; RP02; RH00
career success	1	KB01
performance**)	5	AF08; ESO04; JT05; SM09; UP98

innovation	1	RH00
risk taking propensity	1	SM09
managerial success	3	D96a; DGJ00; DJS10
ethical decision-making/ (employee) moral reasoning	**18**	AS07; BV00; BSOO; DCL97; DU04; EN93; FO04a/FO04b; FRI00; GA91; MAE04/MAE05; ROY09; SH08; UR95/UR96; VBB96; WJ97
behavioral intentions*)**	**15**	BV00; BU05; DJ08; FM02; LEM94; LEU08; PB08; RE02; SAK07; TS04; WS91; WS94; WS97a; WS97b; WO05
whistle blowing	2	RBO6/RB07
unethical behavior**)**	**25**	ADL05; AS06; AS07; BH98; BO08; KHT10; LMG04; LS01; MAE04/MAE05; MC06; PE02a; PE02b; SB02; SAK07; SLR01; STI09; TBM98/TW03; VAR08; WPK03; WS91; WS94; WS97a; WS97b
covenantal relations	1	BS02
organizational socialization	1	LMG04
effect of codes	2	VC87/VC90
subclimates	1	WES02

*) Because researchers may use complicated designs, the total score exceeds the number of publications included.
**) Including customer orientation, behavior toward customers, firm performance, customer satisfaction, and hospitality behavior
***) Including individual moral behavior, ethical behavior, personal justice norms, safety enhancing behaviors, and organizational citizenship behavior.
****) This category includes misconduct (such as bullying, work absence, misleading, software piracy), deviant workplace behavior, dysfunctional behavior, ethical problems.

The picture is clear: unethical behavior (25), commitment (23), ethical decision-making/ (employee) moral reasoning (18), behavioral intentions (15), and job satisfaction (14) are the dependent variables most included in moral climate research.

*Table 5.3.27 Antecedent variables when moral climate is the dependent variable**) (n=34)

antecedent variables	score	contributions
community values and norms	4	BS99; LEM94; VC87/VC90
national culture	3	PC05; VG08; WOB06
socioeconomic influences	2	EWB02; SIM92 (scarcity of resources);
organizational environment	5	CVS89; MC06; SIM92; SH03; VC87/VC90
business type/type of industry	3	AS07; SIM92; WC96
strategic/managerial orientation	1	MC06
stakeholder devices	2	MO97; WE95
organizational interaction patterns	3	MAE05/MAE06; MAO01
organizational history/age	4	CVS89; SAN05; VC97/VC90
firm newness/ entrepreneurship	1	NMS04
firm specific factors	1	DS01; LEM94
organizational form/structure/size departmental tasks	15	AS07; CVS89; EBW02; FIL09; LEM94; LL08; MAR08; MC06; RMA03; SIM92; TS04; VC97/VC90; WE95; WG10
family/non family enterprise	2	DB09; DBM10
forms of governance and control	1	WS97a
organizational culture/core values	3	DB09; EBW02; LL08
ethnic diversity	1	LMG0

labor relations	1	LMG0
leadership	12	AS07; DS01; EAT95; EBW02; EG07; GR04; LL08; SAN05; SIM92; SB02; WS91; WS94
moral intensity of ethical issues	1	ROY09
demographic characteristics**)	5	FIL09; GT10; LMG04; MA01b; MA03

*) Because researchers may use complicated designs, the total score exceeds the number of publications included.
**)These include individual of cognitive moral development (LMG04), tenure (FIL10), gender, educational level, tenure, code of ethics, decision-making style, dilemmas dealing with peers and superiors (MA01b; MA03)

When arranging antecedents from an outside-in perspective, taken together, external cultural factors (including national culture and community values and norms) (n=7). Taken together socioeconomic influences, organizational environment, and business type/type of industry are mentioned (n=10). No attention is paid to political and juridical factors. Strategic factors are hardly mentioned, and if so, in terms of stakeholder orientation/device. Organizational structure and form (including tasks and assignments) are the most prevailing factor (n=15), closely followed by leadership (n=12). Apparently, there is paid little attention to the antecedents of structure and leadership (for instance, as consequences of organizational strategy as a response to environmental demands and constraints). There are a few interesting antecedents of moral climate, even if mentioned only once, for instance moral intensity of ethical issues and influencing moral climate (ROY09), ethnic diversity (LMG04), and family/non family enterprise (DB09; DBM10). Concerning demographic characteristics, at first sight, it may appear odd that these cause moral climate. However, when looking at the moral climate concept the authors of these contributions have in mind – a perceptual notion of climate – it becomes clear that demographic factors may influence climate perception. In sum, it can be concluded that external antecedents get little attention, in favor of structural factors, and leadership.

The final tables to be constructed consist of what we have been calling 'connectivities', theoretical bodies of knowledge used to enrich the moral climate concept. Since these connectivities do relate to the antecedent and outcomes variables outlined above, they will be arranged accordingly.

*Table 5.3.28 Connectivities on the antecedent side**)

antecedent variables	score	contributions
corporate governance theory	1	AF08
stakeholder theory	4	BS99; MO97; WE95; WES02
(ethical) leadership theory	11	AS07; DS01; EAT05; EG07; GR04; MA01a; MA03; SAN05; SM02; UR95/UR96
family enterprise theory	2	DB09 ; DBM10
corporate social performance theory	1	MO97
climate/culture theory	**10**	DB09; DBM10; LMG04; MAE05; MC06; TMB98; TW03; VC87/VC90; VC88
national culture (e.g., Hofstede)	3	DJS10; PC05; VG08
Russian political culture	2	DGJ00; JT05
public organization theory	4	EBW02; MAR08; RMA03; WC96

ethics of banking organizations	1	ESO04
organizational (contingency) theory	6	LEM94; VC88; WE95; WES02; WS97a; TS04
environmental uncertainty theory	1	WG10
organizational life cycle theory	1	NMS04
theories of entrepreneurship	1	NMS04
grid group theory	1	MAE04

Table 5.3.29 Connectivities on the outcomes side)*

antecedent variables	score	contributions
job satisfaction theory	16	AAS07; AS07; CRF06; DS97a; EA08; FRE00; GT10; JD97; KM08; KHT10; KB01; OK02; OW08; SK93; SK97; TH08; WOB06
organizational commitment theory	20	ADL05; AF08; AS07; BCF08; BO08; CPV03; EG07; KM08; KE07; LEU08; OK02; OW08; RP02; SH09; SLR10; SK94; SK97; TMB98/ TW03; TH08; WO05
(ethical) decision-making theories	5	GA91; WJ97; SH08; VBB96; WC97
moral awareness/sensitivity theory	2	VS01; VSZ06
person-organization fit theory	5	AAS07; KE07; SH09; SK94; SK97
deviant workplace behavior theory	12	ADL05; BO08 (bullying); LS01 (software piracy); PE02a; PE02b; SIM92; TBM98/TW03; WKP03; WS91; WS94; WS97b
criminology	2	MA01b; MA03
anomie theory	1	TS04
procedural justice theory	1	WO05
organizational justice theory	1	KB01
prosocial behavior theory	1	AS07
organizational citizenship theory	3	BS02; LEU08; RE02
moral stress theory	1	AS07
emotional intelligence	1	DJ08
personal consistency theory	1	EN93
psychological contract theory	1	BS02
risk performance theory	1	WG10
theory of reasoned action	6	BV00; BU05; FM02; KHT10; LOC96; SH03
cognitive dissonance theory	1	KB01
communication in organizations	1	STI09
theories of spirituality	1	PC03
moral intensity of issues	6	BH98; DU04; FM02; KHT10; MAE04; ROY09
small business/firms theory	1	CR06
ethical theories/values theory	5	DCL97; GR04; KHT10; LMG04; SH08
sports ethics	1	MT99
information and librarian ethics	1	WEB07
ASA-theory	1	DS01
trust theory	4	DSK98; KFL01; RO02; RH00
locus of control theory (Rotter)	3	FO04a/FO04b; KHT10
Machiavellianism	1	KHT10
exchange and gifts theory	1	KD91
code of ethical conduct theory	2	KHT10; MA03
quality culture	1	KE07

safety culture/behavior	1	PB08
hospitality theory	3	UR95/UR96; UP98
ethnic diversity theory	1	LMG04
Role set configuration theory	1	MA01a
differential association theory	1	MA01a
social learning theory	1	MA01b; MA03
whistle blowing theory	2	RB06/RB07
social desirability theory in research	1	FRI00
meta-analysis theory	1	MC06

The table above offers a somewhat scattered picture of auxiliary theories ('connectivities'). Not surprisingly, the figures parallel the figures of antecedent and outcome variables, including their relative numbers. Theoretical bodies used or referred to most are (ethical) leadership theory (n=11) on the antecedent side, and theories of job satisfaction (n=17), organizational commitment (n=21), and unethical behavior theory (n=12). Some theoretical bodies refer to the specific features of research populations (for instance, hospitality theory and sports ethics). Two authors refer to methodological issues (apart from the numerous references to statistical and testing procedures), social desirability theory in research, and meta-analysis theory. Promising theoretical bodies to include in moral climate theory and research are social learning theory, ASA theory (Schein), Machiavellianism theory, intensity of moral issues theory (Jones), theory of reasoned action/theory of planned behavior (Ajzen and Fishbein), and person-organization fit theory. Theoretical bodies that are (relatively) absent include organization theory and theories of organizational strategies.

- *Evaluative issues*

Though the typology of Victor and Cullen is said to be based on Kohlbergian cognitive moral developmental theory, Victor and Cullen seem to have abandoned the developmental claim of Kohlberg's theory rather quickly. Instead of a normative theory (or at least, a theory with normative elements), Victor and Cullen turned their theory into a descriptive theory (a move not always understood by followers). However, most followers used the typology also in a descriptive manner. When it comes down to moral climate evaluation, Victor and Cullen seem to have adopted a 'more moral' perspective, without giving proper criteria for 'more moral'. Perhaps it would be better to conclude that they have abandoned the whole issue.

*Table 5.3.30 Moral climate evaluation in Victor and Cullen oriented publications**)

MD	moral developmental criterion (*n=8*, of which *n=2*?)	AM99?; EN93; EWB02?; FO02a/FO04b; WE95; WES02; WKP03;
PC	pragmatic contingency criterion (*n=20*, of which *n=11?*)	AM99; BCF08; BS00?; CVS89; EWB02?; LEM94; LMG04?; MAE04; MAR08?; RMA03; UR95/UR96; UP98; VS01?; VSZ01?; VC87/VC90?; VC88?; WO05?; WJ97?
MM	more moral (including more positive, more ethical, higher in ethics) (*n=76*, of which *n=1* was unspecified)	AC05; ADL05; AF08; AS06; AS07; BV00; BH98; BCF08; BO08; CR06; CPV03; D96a; D96b; DGJ00; DJ08; DJS10; DU04; EAT05; EBW02; EG07; ESO04; FM02; FRE00; GA91; GT10; GR04; JT05; JD97; KFL01; KM08; KE07; *KHT10*; KB01; LMG04?; LS01; LEU08; MT99; MA01b; MA03; MAR08;

		MKG09; MO97; OK02; OW08; PC03; PB08; PE02a; PE02b; RE02; RMA03; RP02; RB06/RB07; ROY09; RH00; SAN05; SAK07; SH08; SH09; SLR10; SK94; SK97; SIM92; SB02; STI09; *TBM98*; *TW03*; TS04; VS01; VSZ01; VAR01; WS91; WS94; WS97a; WS97b; WC96
EF	ethical fit (*n=10*, of which *n=3?*)	AAS07; AS07?; CVS89; DS01; DBM10; GT10?; KFL01; SK94; SK97; SM09; WG10
NE	no evaluation of moral climate (*n=23*)	BS02; BS99; BU00; CVB93; DCL97; DSK98; DB09; FIL09; FRI00; KD91; LL08; LOC96; MAE05; MA01a; MC06; NMS04; PC05; SH03; SM09; VBB97; VG08; WEB07; WOB06

* Because some authors mentioned more than one criterion for moral climate evaluation, the total score exceeds the number of publications include. Furthermore, in this table (and in the tables below), three publications (TBM98, TW03, and KHT10) are represented in italics to indicate that these are also included in section 5 (discussing contributions of Treviño, associates, and followers). Other publications are represented in a lighter shade and separated by a slash sign (FO04/FO04b, RB06/RB07, UR95/UR96, VC87/VC90) to indicate duplications. These are included in the final counting, but the fact that they are duplicates may affect the interpretation outcomes.

The picture hidden in this scheme is not as clear as it may appear at first glance. Unproblematic is the last category, to start with. In about 18% of the publications, no cues are given for moral climate evaluation. This is not strange as it seems, since in those publications, instruments are evaluated, climate types detected and described, relations between variables explored, or suggestions for intervention given (apparently without an evaluative base). Neither unproblematic is the category more moral, in its broadest sense (n=76, one of which implicit, LMG04, in sum representing about 60% of the population). Because of the broad meaning of 'more moral', in many instances, criteria for 'more moral' are either absent or implicit. In some cases, however, specifications are made concerning the preferred moral climate type (though here, as well, criteria are not always explicit. Cullen, Parboteeah, and Victor (2003), Saine and Martin (2009), and Shafer (2008; 2009) favor benevolent (cosmopolitan) climates, whereas Gaertner (1991) and Smith, Thompson, and Iavocou (2009) prefer any moral climate type as long as it is moving away from an instrumental climate or from self-interest. Duh, Belak and Milfelner (2010, Dursun (2004), Kennedy, Ferrell, and LeClair (2001), Shapira-Lishinsky and Rosenblatt (2010), Tsahuridu (2004), Upchurch (1998) and Upchurch and Ruhland (1995/1995) favor a caring orientation or a caring climate, whereas Malloy and Taylor (1999) promote a principled sports ethics climate type. Okpara (2002) favors a professional climate, and Woodbine (2006) favors a rules climate in a Chinese context (though without giving moral reasons for this preference). As it seems, these preferences are more based upon ethical considerations than upon pragmatic contingency considerations.

In eight publications (including one duplication), a moral developmental stance is taken, two of which formulated implicitly (Agarwal & Malloy, 1999; Erakovich, Bruce & Wyman, 2002). In the publications of Elms and Nichols and Weber and associates, this choice is an indication for them staying close to Kohlberg's theory. More problematic are the implicit indications of evaluative criteria in many publications. Concerning the pragmatic contingency criterion (n=20, including two duplications), no less than 11 publications (including one duplication) used this criterion implicitly. This can be interpreted as considering moral climate evaluation as a minor issue. About the same can be concluded with regard to the ethical fit criterion (in some formulations

approaching the pragmatic contingency criterion) (n=8, two of which implicit).

A final category not included in the table concerns those authors (n=13) mentioning more than one criterion for moral climate evaluation (AM99: MD/PC; AS07: MM+EF; BCF08: MM/PC; CVS89: PC/EF; EWB02: MD/MM/PC; GT10: MM/EF; KFL01: MM/PC; LMG: MM/PC; RMA03: MM/PC; SK94 and SK97: MM/EF; VAS01 and VSZ06: MM/MD). PC/EF combinations may not be problematic because these are similar criteria. MM/MD may not be problematic as well, since moral developmental criteria determine and define 'more moral'. Any other combination should invite the authors to resolve the problem of the troublesome twin criteria discussed in chapter 4, though no one does. From this, it can be concluded that moral climate evaluation is an underexposed issue in this strand of research.

- *Interventional issues*

Concerning moral climate intervention, the whole range of possible modes of intervention can be found, as the overview of, in sum, 269 suggestions for intervention drawn from 126 Victor and Cullen oriented studies below shows.

Table 5.3.31 Moral climate intervention in Victor and Cullen oriented publications

(1) HR-instruments (n=148)

MAD: management development *(n=22)*	AAS07; ADL05; AS07; BO08; DS01; EAT05; FO04a/FO04b; GR04; KB01; MA01b; MA03; PC03; PE02b; RB06/RB07; SAK07; SB02; VC87/VC90; WS91; WS94;
ESE: employee selection *(n=26)*	AAS07; ADL05; CVS89; D96a; D96b; DJ08; DS01; EAT05; EG07; FIL09; FO04a/FO04b; GR04; KFL01; *KHT10;* LMG04; MAE05; MA01b; MA03; OK02; RB06/RB07; SM02; VC87/VC90; WO05;
ESI: employee introduction *(n=5)*	FO04a/ FO04b; MAE05; PE02b; SK97;
ESO: employee socialization *(n=11)*	CVS89; DJ08; DS01; FO04a/ FO04b; GR04; KB01; LMG04; MAE05; PE02b; WC96
EAP employee appraisal *(n=8)*	CVS89; FIL09; KFL01; MAE05; SIM92; VC87/ VC90; WC96;
ERE employee rewarding *(n=22)*	ADL05; CVS89; D96a; D96b; DJ08; EA08; EAT05; FIL09; GR04; *KHT10;* LMG04; MAE05; OK02; OW08; PC03; RB06/ RB07; SIM92; *TBM98;* VC87/ VC90; WC96
EPD: employee punishment and disciplining (when violating ethics standards) *(n=7)*	AC05; ADL05; DJ08; LMG04; OW08; STI09; *TBM98*
ETR: ethics training *(n=47)*	AC05; AF08; AS07; BH98 ; BS00; CR06; CVS89; D96a; D96b; DGJ00; DJS10; DS01; DU04; EA08; EAT05; EG07; ESO04; FIL09; FO04a/FO04b; GT10; GR04; JT05; KFL01; KB01; *KHT10;* LMG04; LS01; LEU08; LOC96; MAE05; MT99; OK02; PC03; PE02b; RB06/RB07; SAK07; TH08; UR95/UR96; UP98; VC87/VC90; WC96; WG10; WJ97

(2) Desired behaviors (cultural interventions) (n=79)

EMB: exemplary management behavior *(n=13)*	CR06; CVS89; DGJ00; EA08; EG07; FIL09; GR04; *KHT10;* LMG04; OW08; SH08; SIM92; *TBM98*
IOC: improvement of communication (about ethical issues) *(n=21)*	AAS07; AS07; BS00; EA08; FIL09; KB01; *KHT10;* LMG04; LEU08; MA03; MAR08; RB06/RB07; SH08; SIM92; TH08; UR95/UR96; UP98; WC96; WG10
COG: concrete guidance (in reducing unethical behavior) *(n=15)*	AAS07; AS07; BV00; CR06; CVS89; DCL97; EG07; GR04; *KHT10;* LMG04; LOC96; SH08; SIM92; *TBM98;* UP98
FEI: focusing on ethical issues *(n=22)*	AAS07; BV00; BS00; CR06; EA08; FIL09; FM02; FO04a/FO04b; KB01;

	KHT10; LEU08; MA03; SH08; SIM92; SK02; TH08; UR95/UR96; UP98; WC96; WG10
CFE: concern for employees *(n=8)*	D96b; KM08; OW08; PE02b; RH00; SLR10; *TBM98;* TS04

(3) Strategic and structural interventions (n=84)

COE: code of ethics (n=*39)*	AC05; AAS07; AF08; BH98; CR06; CVS89; DCL97; D96a; DGJ00; DJS10; DS01; EA08; EAT05; FIL10; FO04a/FO04b; JT05; KM08; KB01; *KHT10;* LEI08; MAE05; MA01b; MA03; OK02; OW08; PB08; PE02a; RB06/RB07; SH09; SLR10; SIM92; STI09; *TBM98;* TH08; VAR01; WC96; WJ97
EAR: ethics advocate role (n=*8)*	AF08; BH98; DJS10; FIL09; LMG04; RB06; RB07; TH08
OAE: organizational ethical appraisal (audits/monitoring) *(n=2)*	DSJ10; STI09;
POD: policy development, implementation and evaluation *(n=19)*	AC05; AM99; AAS07; BV00; CR06; D96b; FM02; FO04a/FO04b; GR04; KM08; KE07; LOC96; MAR08; OK02; RMA03; SM09; WS97a; WC96
EGV: evaluation of organizational goals and values *(n=4)*	AM99; SIM92; STI09; WC96
EPS: evaluation of organizational products and services *(n=6)*	AM99; GR04; MAR08; RMA03; STI09; WC96
ORS: organizational restructuring (n=5)	GR04; LMG04; PB08; RB06/RB07
JOB: job description *(n=0)*	

(4) No explicit or unspecified suggestions for intervention (n=44)

AS06; BS02; BCF08; BS99; BU05; CPV03; CVB93; DSK98; DB09; DBM10; EN93; EBW02; FR00; FRI00; GA91; JD97; KD91; LEM94; LL08; MAE05; MA01a; MC06; MKG09; MO97; NMS04; PC05; RE02; RP02; SAN05; ROU09; SK94; SH03; *TW03;* VBB96;VS01; VSZ06; VG08; VC88; WEB07; WE95; WES02; WKP03; WS97b; WOB06

The counting work arranged above invites to make a number of inferences:
From the total Victor and Cullen population (n=126), a large amount of contributions (about one third, 44) does not contain directions for moral climate intervention at all. This is not as surprising as it may seem, since many authors using the typology of Victor and Cullen simply want to describe organizations or examine relations between ethical climate and output variables, (such as job satisfaction and organizational commitment). A smaller amount of authors simple wants to test the ECQ. In all cases, suggesting strategies for moral climate intervention is not an obvious move.

1. There seems to an absolute preference for ethics training (n=44, that is, about one-half of the publications giving suggestions for intervention) and for codes of ethics (n=39). It would be interesting to examine whether there is a link between codes of ethics (COE) and policy development, implementation, and evaluation (POD), and between codes of ethics and evaluation of organizational goals and values (EGV). In three publications (SIM92, STI09, and WC96), both COE and EGV are suggested. More hits (n=6) appear when combining COE and POD (AC05, AAS07, CR06, FO04a/FO04b, KM08, and OK02). The combination of POD and EGV is occurring (AM99; STI09; WC96). Only one publication considers all three the possibilities for intervention (Wittmer & Coursey, 1996).
2. The counting reveals a preference for interventions that are based on action theory, while neglecting structural and strategic interventions. A brief glance at the figures shows that in sum, strategic and structural interventions add up to 81 as part of, in sum 308 suggestions for intervention. When we subtract the most popular category, codes of ethics, and the ethics

advocate role, only 35 structural and strategic suggestions remain, which comes down to a poor 11.4% of the total amount of options for intervention. If we subtract duplications and try reducing the suggestions for intervention to their authors, some of them account for most of the strategic and structural interventions (notably AM99, GR04, WC96, MAR08, STI09, and RMA03). In fact, only few contributions (after subtracting duplications) mention organizational restructuring (GR04; LMG04; PB08; RB06/RB07).

3. Concerning cultural interventions aimed at stimulating desired behaviors (n=79), it can be suspected that categories in their effectuation may overlap, for instance exemplary management behavior (n=13), concrete guidance (n=15), and concern for employees (n=8), and improvement of communication on ethical issues (n=21) and focusing on ethical issues (n=22). If we collapse these interventions into a more general category and exclude all overlaps, these 81 suggestions for intervention may in fact represent only about one quarter of the total amount of suggestions (26.3%).
4. The major part of the suggestions concern HR-instruments (n=148). Though job description may also be taken as an HR-instrument, it was filed under structural interventions. Since no publication of the Victor and Cullen section mentions job description, no overlap of categories exists as this point. However, the absence of this category makes one think. Giving people more responsibilities and expressing it in a job description may be a powerful tool for moral climate intervention.
5. Many authors emphasize the importance of leadership. When combining the categories of management development (n=22), exemplary management behavior (n=13), and concrete guidance (n=15), a sum of 50 management directed interventions is brought about. When we realize ourselves that ethics training (n=47) is focused on management as well (and sometimes only), this sum becomes even greater (n=97). One might suppose a certain degree of coherence of authors emphasizing management development and exemplary management behavior. However, there is only one (GR04). When exemplary management behavior is compared to ethics training, more overlap occurs (CR06, CVS89, DGJ00, EA08, EG07, GR04, KHT10, and LMG04).
6. A final point of interest concerns the connection of HR instruments. Are they implemented from a stand-alone perspective, or implemented from an integrating perspective. Apart from ethics training (n=47), the HR-instrument most mentioned is employee selection (n=26), followed closely by employee rewarding (n=22). From an integrative perspective, the connection will be clear: select people at the gateway, introduce and then socialize them properly, train them, appraise them and either reward or punish them accordingly in achieving the desired moral climate type.

   However, the preferred coherence of HR instruments is lacking for the greater part. For instance, relatively few authors consider employee introduction (n=4, after subtracting duplications) and employee socialization (n=8, after subtracting duplications); only a few authors consider both (FO04a/FO04b, MAE05, PE02b). Connections between employee selection (ESE) and employee appraisal (EAP) are few (CVS89, FIL09, KFL01, MAE05, VC97/VC90). Combinations of employee selection (ESE) and employee rewarding (ERE), and ESE and employee punishing and disciplining (EPD) can be observed more frequently: ESE + ERE=13 (ADL05, CVS89, D96a, D96b, EAT05, FIL09, GR04, KHT10, LMG04,

MAE05, OK02, RB06/RB07, VC87/VC90), and ESE+ EPD=3 (ADL05, DJ08, LMG04). The combination of ERE + EPD is hardly occurring (ADL05, DJ08, LMG04). Concerning the combination EAP+ERE, there six matches (CVS89, FIL09, MAE05, SIM92, VC87/VC90, and WC96).

Of the eight instruments included in this research, Maesschalck (2005) mentions six (ESE, ESI, ESO, EAP, ERE, ETR). Victor and Cullen (1987/1990) mention five (MAD, ESE, EAP, ERE, ETR), as do Cullen, Victor, and Stephens (1989) (ESE, ESO, EAP, ERE, ETR), Forte (2004a/2004b) (MAD, ESE, ESI, ESO, ETR), Grojean, Resick, Dickson, and Smith (2004) (MAD, ESE, ESO, ERE, ETR), and Lemmergaard (2004) (ESE, ESO, ERE, EPD, ETR). Engelbrecht, Van Aswegen, and Theron (2005) mention four HR-instruments (MAD, ESE, ERE, ETR), as did Appelbaum, Deguire, and Lay (2005) (MAD, ESE, ERE, EPD), Deshpande and Joseph (2008) (ESE, ESO, ERE, EPD), Dickson, Smith, Grojean, and Ehrhart (2001) (MAD, ESE, ESO, ETR), Filipova (2009) (ESE, EAP, ERE, ETR), and Rothwell and Baldwin (2006/2007) (MAD, ESE, ERE, ETR). The remaining publications offer less than four HR instruments for moral climate intervention. It can be concluded that only a small amount of publications mention four or more instruments (n=14, three duplications included), without proposing systematic and integrative use of HR instruments.

A final remark about moral climate intervention concerns the question whether interventions are climate sensitive/specific or climate neutral. Of the 84 (=126-42) publications offering suggestions for intervention, relatively few do so in a climate sensitive or specific way (climate specific meaning anticipating on the preferred moral climate type); BV00, CVB89, DGJ00, DS01, EA08, FIL09, KFL01, PC03, PB08, RB06/07, TS04, UR95/96, UP98, VC87/90, WO05, and probably WJ97 and perhaps WG10 (n=20, including three duplications). About 77% chose a climate neutral approach (a kind word for a one size fits all approach, not reckoning with actual climate differences), whereas the authors suggesting climate sensitive and/or specific interventions stay close to programmatic directions not translated into concrete measures.

In sum, about 67% of the contributions offered suggestions for intervention, most of which are more action-oriented than structure-oriented. Concerning strategic and structural interventions, implementing and observing codes of ethics is the favorite mode of intervention, whereas reconsidering strategy and structure occurs less frequently. Categories of cultural interventions may overlap, thus lacking decisiveness. Despite a general recognition of the importance of leadership, only a minority mentions exemplary management behavior, though management development and ethics training (for management) may be indirect expressions of this concern. Implementing HR instruments is a dominant mode of intervening, with a major preference for ethics training, though instruments are neither implemented systematically from an integrative perspective, nor implemented in a climate sensitive and/or specific manner.

- *Discussion*

Many followers hail the typology of Victor and Cullen. However, most of them uncritically used the ECQ and did seldom question its assumptions. Perhaps this can be explained by the publishing policy of the *Journal of Business Ethics,* publishing virtually anything as long as it sounds

like business ethics, as it seems. Though we know that the Journal is critical, nevertheless it can be suggested that the typology of Victor and Cullen is good because it is used and published over and over again may have put researchers to sleep. Other authors even abandoned their own model in favor of the typology of Victor and Cullen, as did Treviño, Butterfield, and McCabe (1998), a move discussed in the next subsection.

Instead of scrutinizing the assumptions of the model of Victor and Cullen, many authors did not become tired of justifying unexpected results, for instance by blaming respondents for having not filled in the questionnaire properly, or tickling and squeezing the data until they confess. As a major fact, the nine ethical climate types as hypothesized by Victor and Cullen were never confirmed empirically to exist all together. Because the ECQ was revised and items were added or reformulated, a common basis for meta-analysis or even for comparing studies is lacking.

The typology was criticized by only a few other authors. For instance, Snell and Cohen (whose contributions are discussed in this chapter) consider the conceptualization of decision-making norms highly generalized while determining climate types from respondent agreements to questionnaire statements. Snell (1992) compares his approach in similar terms to the approach of Victor and Cullen: theirs is a broad-brush characterization of climate, lending itself to the use of survey questionnaire methodology, contrasting with Snell's attempts to go more deeply into underlying pressures and currents, requiring more detailed observational and/or interview-based research. Snell concludes that the Ethical Climate Questionnaire (ECQ) designed by Victor and Cullen and the Moral Ethos Questionnaire (MCQ) of Snell (and associates) differ in their theoretical orientations and purposes while seeking to measure different things and should not be seen as rival instruments.

Snell and associates have no criticisms of the reliability of and validity of the ECQ, but suggests three main reasons why researchers might consider using the Moral Ethos Questionnaire as a complementary instrument.

(1) The theoretical typology underpinning of the ECQ explicitly diverges from Kohlbergian premises, particularly because it is not directly based on socio-moral development theory. However, there may be some disagreement about the exact point of divergence. The theoretical ethical climate types of egoism, utilitarianism and deontology are said by Victor and Cullen (1988, 105) to correspond to the philosophies that underpin the Kohlbergian stages. Snell and associates not only have a different reading of Kohlberg, they also note that the ECQ scrambles the moral stages, first by lumping them together and then splitting the aggregates across the referent axis (Snell, Taylor, Wai-Han Chu & Drummond, 1999, 365).

(2) There is no overall empirical correspondence between the six emergent climate dimensions measured by the ECQ and the six Kohlberg stages. This not a surprising, since the ECQ was not intended to measure organizational moral stages matching individual moral stages. In fact, only one emergent ethical climate dimension (the individual instrumental type) resembles a Kohlbergian moral atmosphere equivalent (i.e., Stage 2). Snell and associates refer to the empirical findings of Deshpande (1996a; 1996b) that the instrumental climate type was the only one to correlate with empirical pessimism or with overall job dissatisfaction. They also refer to Sims and Keon (1997) who found that individuals' preference for an instrumental ethical climate was significantly negatively correlated with individual moral development, and that the

correlations between moral development and preference for other climate types were close to zero. Wimbush and Shepard (1994) found that instrumental climates would foster self-serving, unethical behavior. Despite the lack of match described, Snell and associates consider it possible that a different instrument, designed to measure organizational analogues of the Kohlberg stages, might detect a fuller set of relationships between organizational and individual moral reasoning.
(3) Though the ECQ was designed for evaluative purposes, that is, to access the intrinsic goodness of badness of particular ethical work climates, Victor and Cullen hold that there is no one best ethical climate. The moral philosophy that underpins ECQ is of perspectivism, the doctrine that right or wrong depends on the standpoint from which a moral decision is observed, rather than on wider considerations such as the generalizable principles of the moral rights of the various stakeholders affected by organizational decision-making. The ECQ reflects also a contingency approach, while helping company management to identify the fit between moral climate, the business environment, and their own business strategies, and to identify specific kinds of ethical risks. However, the ECQ does not predict the extent to which conduct within an organization is generally ethical or unethical.

In a similar vein, from a conceptual point of view, Cohen addresses questions unanswered by the analysis of Victor and Cullen regarding (a) specific ways organizational practices and procedures contribute to the evolution of moral climates, and (b) how research on moral climate can help guide efforts to manage organizational change (Cohen, 1998a, 1217-1218). In her view, the approach of Victor and Cullen offers little explanation nor prediction about when, where, how and why a certain climate type might emerge. It neither tells managers how organizational processes must be changed to transform an organization's moral climate. These flaws are caused by using their concept ethical climate in descriptive meanings while abandoning evaluative and prescriptive connotations.

Having considered adaptations and criticisms, the typology of Victor and Cullen now can be scrutinized in terms of the format of the present study, that is, in terms of conceptual, typological, empirical, evaluative, and interventional issues, with an emphasis on conceptual and typological issues and their impact upon empirical issues.

- *Conceptual, typological, and empirical issues*

As I see it, there are serious problems with the underlying concepts and the make-up of the typology of Victor and Cullen, apart from the problematic factor structure of the ECQ. These conceptual and typological issues are fourfold, and concern the locus of analysis (1), the ethical criterion (2), the perceptions approach (3), and the formulation of ethical climate types and profiles (4).
1. The first issue, the locus of analysis issue appears to be the easiest issue to deal with, simply by giving a more differentiated account of the moral horizon, as was just discussed. Though it is a step forward to distinguish within the locus of analysis dimension between the team level and the organizational (or departmental level), this does not solve all problems. A more serious problem concerns the incomplete and confusing representation of the ethical dimension based

on an inaccurate account of ethical theories.

2. As it seems, Victor and Cullen misrepresent Kohlberg's theory. I would agree with Snell that there is no overall conceptual correspondence between the climate dimensions and the cognitive moral developmental stages described by Kohlberg (apart from the egoistic-individual, self-interested mode of moral argumentation and Stage 2). In addition to Snell's criticism, Victor and Cullen also seem to confuse ethical theories and represent its defining characteristics inadequately, as the following examples demonstrate.

- It is theoretically incorrect to associate the *law and code* dimension or ethical climate with principled moral thinking. In Kohlbergian theory, law and code moral thinking is associated with on the conventional level. Accepting guidance from organizational rules really is something different from autonomously arriving at principled-based ethical decisions that can stand the test of universalizability. What the authors consider as principled thinking is in fact more like conventional thinking, as becomes clear in the formulation "a principled climate also encourages employees to obey company regulations, procedures, and other critical rules". Perhaps Victor and Cullen here have taken together two modes of thinking that are in fact quite different. The first mode is the conventional law and order thinking (Stage 4 in Kohlbergian stage-terms), while the second mode represents Stage 5 professional thinking, when referring to professional standards. Professional standards do not have to coincide with legal standards, especially not when professional standards are ahead of legal standards or are not applicable to professional situations. Furthermore, principled professional reasoning can sometimes even be in conflict with legal standards and regulations.
- Confusing are the formulations used concerning the *independence* dimension of the ethical climate typology. The label 'independence' could apply to very different forms of moral reasoning, including pre-conventional morality (I am independent because I do as I please) as well as post-conventional principled morality (I choose to act independently, based upon my own universalized personal ethics). That is, the ECQ item statement 'In this company people are guided by their own personal ethics' is rather ambiguous, while suggesting principled morality, but does not excluding pre-conventional ethical egoism.
- Findings about the *caring* organizational ethical climate type may be counter-intuitive. No differences were found with respect to three levels of analysis: individual, local, and cosmopolitan. However, obviously, some serious moral distinction exists between an organization in which people (only) care for each other and even cover up each other's mistakes, and organizations that show care by taking social responsibility for either employers, external stakeholders, or even all of them. The statements used in the research also show these differences in interests: "Our major consideration is what's best for everyone in the company", and "It is expected that you'll always do what is right for the customer and the public". In sum, the care climate type is troublesome when the addressees of care are not specified, and the ethical criterion justifying care is not mentioned. Apparently, the model confuses content of ethical reasoning (caring) with its form (type of justification given).

- It can be questioned whether certain combinations of ethical criterion and locus of analysis are logical compatible. For example, what does an *efficiency* climate mean, located on the intersection of the *egoism* criterion and the *cosmopolitan* locus of analysis? Obviously, egoism is a feature of individuals, not of an entire community, at least, not in the way proposed by Victor and Cullen (as was put forward by Jones, Felps & Brigley, 2007, 144)
- Unclear is the tenor of *benevolence* climate types. On the one hand, benevolence seems to refer to virtues, while on the other hand, benevolence seems to be a teleological term aiming to foster the interests of others within different moral horizons. Victor and Cullen label benevolence as a utilitarian criterion, which is a form of teleological ethics. Since egoism is a mode of teleological moral reasoning too (albeit with the narrowest moral horizon), it can be asked then, what would the difference between egoistic-individual and benevolent-individual climate types. More seriously is the point that utilitarian ethics is not comparable to conventional moral reasoning in the way this is proposed by Kohlberg. Outcomes are of a different nature than conventions are.

In sum, the model of Victor and Cullen does not discriminate between strategies of moral reasoning properly, and instead, confuses them (aretaic ethics and teleological ethics, axiological ethics and deontological ethics). When referring to one of the leading claims of my research project – that for moral climate theory to be fruitful, both theory and research should cover all relevant modes of moral reasoning and apply them correctly – the model of Victor and Cullen fails the test. As such, this implies more than revising the ECQ or reformulating its items.

3. The third issue concerns the perceptions approach of organizational climate to be tapped by quantitative survey methods. James and Jones (1974) discussed several conceptualizations of climate, distinguishing between a perceptions approach (climate as aggregated perceptions) and climate as an organizational attribute. By focusing on perceptions, the eternal question remains, of what part of reality these perceptions are perceptions of, whereas the other question remains what exactly has been measured when respondents have been asked more than they can possibly know. Can they make a proper judgment about the ethical climate of their organization or is the ECQ in fact measuring something else, for instance job satisfaction or organizational commitment? Apart from the level and unit of analysis issue, a low level of cognitive moral development may prevent respondents to give reliable answers when recognition proves to be stage-dependent. An attributions approach (moral climate as a supra-personal phenomenon) probably offers more from a conceptual point of view, and offers new pathways for moral climate research, for instance by applying qualitative research methods, ranging from participant observation, in-depth interviews, and discourse analysis (analyzing everyday conversation).

4. Though Victor and Cullen tried to construct a clear-cut typology, they did not give elaborate definitions of the distinct climate types, no thick descriptions (of moral climate profiles or configurations), nor hardly even thin ones. This means asking for trouble when conducting research. For instance, when research reveals a causal relation existing between instrumental climate and lack of commitment among the workforce, this may initially be hailed as a major finding. However, it may later turn out to be rather circular when lack of commitment is a

defining characteristic of an instrumental climate. Of course, one may riposte, exactly through this (most common) type of research in which moral climate is the independent variable, thick descriptions of moral climate types may emerge empirically when consequences of moral climate turn out to be defining characteristics (thus avoiding tautological research, of the "people always die in their last minute" type). From this perspective, Victor and Cullen could have helped then future researchers by listing possible defining characteristics or moral climate types for empirical confirmation, and by at least, giving a thin description of each climate type.

- *Empirical (continued), evaluative and interventional issues*

Apart from the ECQ, other *empirical* issues need to be addressed. Most contributors using the model of Victor and Cullen consider moral climate as the independent variable, while specifying a large number of possible outcome variables (behavioral intentions, unethical behavior, commitment, and job satisfaction), and using even more auxiliary theories ('connectivities'). This underpins the point put forward by Cohen (1998, 1217-1218) that the approach of Victor and Cullen offers little explanation nor prediction about when, where, how, and why a certain moral climate type emerges. Future research should include antecedent variables that do offer the explanations and predictions asked for, more in particular community values and norms, national culture, socioeconomic influences, organizational environment, business type/type of industry, strategic/managerial orientation, stakeholder devices, and the structure of business processes. Especially, the role of leadership should get even more emphasis than it did get, being one of the essential factors, of not the crucial element.

The way Victor and Cullen deal with the *evaluative* issue, reveals their bending away from Kohlbergian theory. First, they abandon its developmental nature, than its evaluative potential, turning their model into a descriptive one that yet is used by followers in a normative way (82.5%), without proper criteria for moral climate evaluation, however (apart from an unspecified 'more moral'). This makes it hard to determine which moral climate it is to be preferred and why. Furthermore, it does not pave the way for proper moral climate intervention. Only 22 out of 126 (17.5%) contributions did not give a definite answer with regard to the evaluative issue, and used the model in the descriptive way only. If the model of Victor and Cullen is intended to have practical implications, evaluative issues need to be resolved, in particular with regard to the troublesome twin criteria for moral climate evaluation: more moral (for instance, in terms of a moral developmental criterion) and ethical fit (for instance, in terms of a pragmatic contingency criterion).

In one third of the contributions, no suggestions for moral climate *intervention* were given. Those who did favored ethics training, introducing and observing codes of ethics, and developing leadership. Only 11.4% of the authors suggested interventions on the organizational level in terms of adapting strategy, structure, and overall policies, much in line with considering moral climate as an independent variable. From a structuralist point of view, action-oriented interventions are doomed to failure and should be complemented with or even be preceded by structural interventions in order to be effective, assumed that people are influenced by their environment.

In sum, the ethical work climate theory of Victor and Cullen is by far the dominating theory, for better and for worse. For better, because numerous variables and their connections with moral

climate are identified, for worse because of the inherent inadequacies of both their model/typology (ill-conceived organizational perspective and inadequate representation of moral justification strategies), their research instrument (ECQ, reproducing the inadequacies of the model and leading to biased results), their inconsistent evaluative notions, and the uneven suggestions for interventions.

5.3.5 The cultural approach of Treviño, associates and followers

A separate line of theorizing and research is initiated by Linda Treviño, associates and followers (Treviño, 1986; Treviño, 1990; Treviño, 1992; Treviño & Nelson, 1995; Treviño & Nelson, 2007; Treviño, Butterfield & McCabe, 1998; Treviño & Weaver, 2003; Brown & Treviño, 2006; Kish-Gephart, Harrison & Treviño, 2010; Key, 1999; Ampofo, Mujtaba, Cavico & Tindall, 2004; Kaptein, 2008; Kaptein, 2009). These contributions will be considered subsequently, starting with those of Treviño and associates (1), followed by a brief discussion of the contribution of Key (1999), and Ampofo et al (2004), respectively (2). This section closes with a discussion of the Corporate Ethical Virtues Model of Kaptein (2008; 2009) (3).

1. *The contributions of Treviño and associates*

Essential theme in the contributions of Linda Klebe Treviño and associates is ethical decision-making in organizations from a person-situation interactionist model. How can unethical choice (intention and behavior) be explained in terms of bad apples (characteristics of individuals), bad cases (characteristics of moral issues), and bad barrels (organizational environment)?

From the perspective of the present study, the focus will be on Treviño's conceptualizations of the organizational environment in terms of ethical climate and ethical culture. The contributions of Treviño and associates, as well as of some of her followers are included in a separate section because of their unique and in important respects tragic signature, representing nevertheless an interesting strand of publications, explained in terms of its conceptual, typological, empirical, evaluative, and interventional features.

First, Treviño starts as a fervent champion of Kohlbergian cognitive moral developmental theory, though ignoring its moral atmosphere part. As it seems, gradually this sympathy seems to grow pale, as Kohlbergian insights are neither recognized behind, for instance, the ethical climate typology of Victor and Cullen nor elaborated in her own ethical context theory.

Second, this interest can be formulated in terms of the dramatic end of a struggle between two concepts, ethical culture and ethical climate. Starting with a developing own though shallow ('normative structure') concept of ethical culture (arranged along a continuum, instead of into a typology), Treviño compares it to ethical climate, finding out that these two concepts cover the same part of reality, though not in exactly the same manner. More dramatically, the ethical culture concept turned out to be less informative about the ethical characteristics of organizations than the ethical climate typology of Victor and Cullen, making Treviño surrender in the end and give up the ethical culture concept in favor of the ethical climate concept and a stripped typology. The dramatic nature of this development is that the once considered fruitful ethical culture concept was exchanged for a concept with flaws in many respects and directions, as was argued in the previous subsection.

Third, the insight emerged that ethical culture or climate surveys only gain information about

people's perceptions instead of about organizational features. This asks for other research strategies and methods in a direction not worked out by Treviño.
Fourth, in the course of contributions, a convincing criterion for moral climate intervention has not been developed, despite the moral developmental criterion to be taken from Kohlbergian theory.
Fifth, the importance of leadership as an influencing variable is stressed, asking for special attention for leadership development (through selection, introduction, appraisal, rewarding, and training and development). However, this emphasis goes at the expense of attention for structural and strategic interventions to make organizations more ethical, thus shifting emphasis from situation to person (of leaders).
In the following pages, each publication of Treviño and associates is considered in some detail, to illustrate the proceedings just outlined.

- In her seminal, much quoted publication *Ethical Decision Making in organizations: A Person-Situation Interactionist Model*, Treviño (1986) proposes an interactionist model of ethical decision making in organizations, combining individual variables (including moral development) with situational variables to explain and predict the ethical decision-making behavior of individuals in organizations. A major component of the model is based on Kohlberg's cognitive moral development model providing the construct definition, measurement tools, and theory base to guide future business ethics research.
  Though at first glance, this contribution is not about moral climate, Treviño' cultural approach offers a promising application of Kohlbergian theory. .
  The interactionist model consists of individual moderators: ego strength, field dependence and locus of control, as well as certain moral cognitions (stage of individual cognitive moral development) moderated by situational factors: immediate job context, organizational culture, and work characteristics. The immediate job context implies reinforcement contingencies of moral behavior, and work characteristics imply role taking and resolution of moral conflict (1986, 603). Organizational culture is described in terms of normative structure, referent others, obedience to authority, and responsibility for consequences.
  From the moral climate perspective, the normative structure is an important aspect of organizational culture.
  In fact, Treviño (1986, 611) distinguishes two kinds of situational variables: both characteristics of the job itself and the organizational culture can contribute to the individual's continuing moral development. More in particular, two characteristics of a job are involved: *role-taking opportunities* (for instance, under democratic leadership conditions), and *responsibility for the resolution of moral dilemmas*. Treviño considers several aspects of organizational culture playing an important role in the moral development of organizational members, notably normative structure, a concept inspired by Higgins and Power (1985/1986) and Higgins, Power, and Kohlberg (1984).
  Organizational culture is defined as the common set of assumptions, values, and beliefs shared by organizational members. It influences thoughts and feelings, and guides behavior. It manifests itself in norms, rituals, ceremonies, legends, and the organization's choice of heroes and heroines. More in particular, the culture of an organization can contribute to an individual's moral development by allowing organizational members decision-making, responsibility and by encouraging role-taking. Alternatively, in an authoritarian or mechanistic organization culture can arrest moral development. Thus, situational variables moderate the cognition/behavior relationship. Treviño expects that most adults, because they operate at the conventional level of cognitive moral development (Stages 3 and 4), are susceptible to the influence of these cultural and job context variables (1986, 611).
  From an *empirical* perspective, the moral climate phenomenon is taken as a situational moderator

(normative structure, relevant others, obedience to authority, and responsibility for consequences, and work characteristics) that moderates, with individual moderators (ego strength, field dependence, and locus of control) between ethical dilemma (independent variable) via stage of cognitive moral development and (un)ethical behavior, translated into eighteen hypotheses.
Treviño's first publication can be considered as guiding for moral climate theory. In a fruitful way she uses Kohlbergian cognitive moral developmental theory (albeit not based on its then post recent fashion), but fails to relate to and subsequently use its moral atmosphere part. *Conceptually*, Treviño chose to take culture as a starting point, and emphasizes four of its features relation to morality, including normative structure, referent others, obedience to authority, and responsibility for consequences. She neither does adopt a stage model of ethical culture (as Kohlberg in fact did), nor an ethical culture *typology*. In fact, much of this contribution can be criticized: a shallow conception of organizational culture, eighteen hard-to-test hypotheses, and a rather abstract concept of labor organizations that ignores differences between types of organizations and industries. Evaluative questions are only discussed in an uncritical way. It is not clear, whether Treviño did adopt a moral developmental criterion for moral climate *evaluation*, or simply used the concept ethical climate in terms of less and more ethical. As such, she does not use all the strengths of Kohlberg's theory, and especially ignores the richness of Kohlbergian moral atmosphere theory while only shortly referring to 'normative structure' as the main feature of organizational context and only briefly mentioning the just community approach.
From an *interventional* perspective, she suggests the introduction and enforcement of codes of conduct (COE), rewarding ethical behavior and disciplining and punishing unethical behavior (ERE; EPD). At least mentioned implicitly, Treviño seems to advocate changes in job descriptions to foster ascription of responsibility for the consequences of actions (JOB). Finally, she points at the role behavior of management and the need to development management (EMB; MAD). Important is her note that ethical decision making in organizations can only become more important as the structure of the economy and the labor force continue to change. In sum, although she occupies a seat in the 'Kohlberg train', her contribution does not bring the application of Kohlbergian thought to the moral climate/culture of labor organizations much further.

- In her paper *A Cultural Perspective on Changing and Developing Organizational Ethics*, Treviño (1990) present a cultural perspective on developing and changing ethical behavior in work organizations. Since three, not-identical versions of the contents of this paper exist, all three versions are addressed here. The initial paper was adapted and included as *Chapter Nine*: *Ethics as Organizational Culture* in *Managing Business Ethics. Straight Talk About How To Do It Right.* (Treviño & Nelson, 1995, 195-230) (of which a fourth edition was released since, Treviño & Nelson, 2007, 256-311), a business ethics textbook with more practical than theoretical ambitions.
  Point of departure is the assumption that given the cultural perspective, (un)ethical behavior is a consequence of the ethics component of organizational culture, implying a shift in attention from 'bad apples' to 'bad barrels'. In this view, ethical as well as unethical behavior is a "consequence" of culture. From this perspective, Treviño developed a framework for understanding how organizations can influence the ethical behavior of their members by proactively developing and/or changing the ethical component of the culture of the organization. Organizations with ethics problems can take a culture change approach to their solution (1990, 196-197).
  Three assumptions underlie this cultural approach to understanding (un)ethical behavior in organizations: culture influences individual thought and behavior, context-specificity, and socialization to organizational norms. The first, most essential, assumption rests on Kohlberg's theory of cognitive moral development (explained in more detail in chapter 5 of Treviño & Nelson, 1995/2007). Especially, individuals at the conventional level - the large majority in our society - look outside themselves to rules, laws and to

significant others in the environment, to help them determine what is "right" or "wrong" in a particular situation (1990, 198). Living up to expectations from smaller or larger social systems and sticking to their norms and rules, is characteristic of these conventional stages. Thus, culture - and more in particular the normative structure of the organization - is likely to influence thoughts and behavior in ethical dilemma situations (1990, 199). Second, context-specificity means that individuals operate under and behave according to different norms for different contexts, allowing individuals to accept a behavior as appropriate in one domain of experience and inappropriate in another without felt contradiction. Moral reasoning is also considered as context-specific. Managers' level of moral reasoning tend to be lower when they are asked to think about work-related moral issues compared to the hypothetical non-work related dilemmas typical of Kohlberg's research (see also, Weber, 1989). In the corporate context, managers may feel pressured to make decisions that are consistent with the bureaucratic and normative structure of the organization (1990, 199, 200). Third, as a consequence, socialization to organizational norms suggests that people often act in ways that have nothing to do with their personal beliefs; they behave as they are expected to behave in order to fit into the context and be approved by significant others in the environment (1990, 200). Summing up,

> "The organizational culture provides collective norms and standards for appropriate and inappropriate behavior in the organizational context. Kohlberg's (1969) theory explains that most adults look to this context for guidance. Thus, ethical/unethical behavior in the organization results in large measure from socialization to the organization's normative structure. This normative structure can support either ethical or unethical behavior. Most individuals will conform to workgroup of organizational norms for ethical/unethical behavior whether or not they believe these norms to be "right". Even if they believe that a norm or behavior is wrong, they are unlikely to challenge it because of their concerns about group acceptance and what others will think" (1990, 200).

From an evaluative perspective, a pragmatic contingency approach seems to be favored; a cookie cutter approach to develop an ethical organization will not work. Since ethics is an integral part of the organization's overall culture, designing an ethical organization means systematically analyzing and influencing all aspects of the organization's culture and aligning them so that they support ethical behavior and discourage unethical behavior. Furthermore, in order to create an ethical culture, formal and informal systems must be aligned to support ethical behavior. The only way to determine if the culture is aligned to support ethical behavior is to conduct as comprehensive audit of all relevant aspects of the ethical culture. If the ethics audit determines that aspects of the current culture do not support ethical behavior, and the goal is to produce an ethical organization, then the culture must change (1995, 197-198; 2007, 258-261).

Much attention is paid to organizational culture, that us along anthropological lines defined in terms of a body of learned beliefs, traditions, and guides for behavior shared among members of a society or a group. An organization's culture expresses shared assumptions, values, and beliefs and is the social glue that holds the organization together. Organizational culture is manifested in many ways, including norms, physical settings, dress codes, special language, myths, rituals, heroes, and stories. Organizational cultures can vary widely, even within the same industry or organization type. Borrowed from Deal and Kennedy (1982) is the insight that organizational cultures can be strong or weak. In strong cultures, standards and guidelines are known and shared by all, providing common direction for day-to-day behavior, whereas in a weak organizational culture, subgroup norms or even individual norms are more influential than cultural norms, making subcultures more likely to guide behavior. The authors recognize that weak cultures need not necessarily be bad cultures. Strong subcultures may are be desirable, allowing for diversity of thought and action. However, in weak cultures, behavioral consistency is difficult, if not impossible to achieve. Norms (standards and rules for behavior) are an essential part of organizational culture, but the norms guiding 'the way we do things around here' can be ethical or unethical, depending on its contents (1995, 199; 2007, 286).

While considering rival concepts, Treviño (1990) describes briefly the ethical climate theory of Victor and Cullen (1988), though without further discussion. She only reports that her paper focuses on the development of the ethical culture in the entire organization and the contribution of Victor and Cullen focuses more on the subgroup ethical climate, leaving implicit that this apparently makes their paper less important (1990, 201-202). However, a thorough comparison between her concept of ethical culture and the concept of ethical climate of Victor and Cullen is not made here. In *Managing Business Ethics*, a discussion of the model of Victor and Cullen was omitted.
Some attention is paid to cultural dynamics. The organization's culture is transferred through enculturation or socialization (making people behave in ways that are consistent with the culture because they feel they are expected to do so). This socialization can be either formal (through training and mentoring), or informal (through transmission of norms by superiors and peers). Of course, individuals may also internalize organizational norms accepting them as their own (1995, 199-200; 2007, 260-261).
Organizational culture is created and maintained through a complex interplay of formal and informal organizational systems (1990, 202-212; 1995, 203-213; 2007, 271-291). Formally, leadership, structure, selection systems, orientation and training programs, rules, policies, reward systems, and formal decision-making procedures all contribute to culture creation and maintenance. The 2007 version emphasizes the importance of ethical leadership and the model role of heroes, when compared to earlier versions of this text.
Informally, the culture's informal ('real') norms, heroes and role models, rites and rituals, myths and stories, and language keep the culture alive and indicate to both insiders and outsiders whether the formal systems represent fact or facade.

Development or change may be considered necessary because of environmental pressures, stockholders, stakeholders, government, type of competition, scarcity of resources, or because of characteristics of the industry or of the company itself (size, product diversification, rapid growth). These pressures may both evoke ethical issues and the need to overcome them by influencing the culture.
Treviño and Nelson suggest many directions for moral climate intervention, thereby at times touching the evaluative issue as to what justifies moral climate intervention. Concerning moral climate intervention, an integral approach is favored. Since both formal and informal organizational systems can influence ethics at work, for better or for worse, working together or crossing purposes to support ethical or unethical conduct is necessary. Developing and/or changing organizational ethics involves simultaneously developing or changing multiple aspects of the organization's ethical culture, that is, it involves the alignment of all relevant formal and informal organizational systems. This is not an easy job, considering the addictive qualities leading to cultural persistence or even inertia (1990, 212-213; 1995, 214; 2007, 295-296).
The assumptions for moral climate intervention are clear: "Any attempt to develop or change organizational ethics can benefit from an organizational change approach that includes a system-wide, long term view. In addition, it should be based on the assumption that human beings are essentially good and capable of development and change" (1990, 214). The first assumption means that the cultural system view approach favored by the authors relies on the idea that to be successful any attempts to develop and/or change the organization's ethics must take the entire cultural system into account. Change efforts must analyze and target multiple formal and informal organizational subsystems and must work together to create clear, consistent messages about what is and what is not appropriate organizational behavior; conflicting subsystems will produce confusion and mixed messages. Short-term, quick-fix solutions that target only one system (for instance, a code of ethical conduct) should be avoided. The complexity of the solution must match the complexity of the problem. If not, it will miss important information, make incomplete diagnoses, and produce overly simple and shortsighted

solutions (1990, 215). This implies that culture change involves a long-term project. The second assumption, that people are inherent good and prepared and capable to change, means that those views are opposed that consider human beings as driven by self-interest and opportunism, and likely to shirk responsibility. Rejecting this assumption logically leads to change efforts focused almost exclusively on behavioral control. On the contrary, it is assumed that most employees prefer being associated with a just organization that supports ethical behavior and disciplines unethical behavior. Given this type of organization, most individuals can be expected to choose ethical behavior. Individuals engaging in unethical behavior should not simply be labeled as "bad" people, since they are often responding to external pressures or are behaving according to organizationally sanctioned definitions of what is appropriate. The authors admit that though unethical behavior must be disciplined, the organization should also treat unethical behavior as a signal to investigate itself and the cultural context in which the behavior occurred. Through culture, the organization can change definitions of what is (in)appropriate, and relieve pressures to behave unethically.

At this point, Treviño seems to adopt a pragmatic contingency approach to moral climate evaluation while noticing that culture is some sense utilitarian. It practices develop as part of adaptation to environmental circumstances. Cultural components that diminish survival chances are not likely to persist. For instance, organizations in placid, certain environments, are possibly not likely candidates for cultural change, but organizations in more dynamic environments could find their cultures in need to change to adapt to the exigencies of the surrounding environment (1990, 213; 1995, 215-216; 2007, 297-298).

Suggestions for intervention include directions for conducting ethical culture audits (including sample questions examining codes of ethics, recruitment procedures, for example). Apart from using questionnaires to capture formal systems, informal systems can be investigated via open-ended interviews, observation of organizational rituals, and analysis of the organization's stories; also here, sample questions are suggested to examine rituals, heroes, socialization processes et cetera (1990, 215-216; 271; 1995, 216 217; 2007, 299) (OEA). In addition, the multi-system nature of organizational culture suggests that responses must be compared within and across systems to answer the key question of whether formal and informal systems are aligned within themselves and with each other. The suggestion given in the 1990 article - an analysis of culture should begin with top management because their assumptions are so important in determining of what goes in the organization - is not included in the 1995 book, probably because of its practical doubtfulness (1990, 217; 1995, 217; 2007, 299). Other strategies for intervention are mentioned as well, aiming at influencing formal and informal systems jointly (between brackets codes used) (1990, 218-219; 1995, 218-219; 231-261; 2007, 314-353):

- Structure can be altered to encourage individuals to take responsibility for their behavior and to discourage unquestioning deference to authority (ORS; JOB).
- Codes of ethics can be designed participatively, distributed, and enforced (COE)
- Reward systems can be designed punish unethical behavior and reward ethical behavior (ERE/EPD).
- Set up a corporate ethics committee and hire or name ethics officers (EAR).
- Creating a formal whistle blowing system to resolve questions and report ethical concerns; encourage whistleblowers by providing formal communication channels and confidentiality (EAR).
- Employee selection (emphasized in the 2007 version) focuses on selection people fitting the culture (ESE).
- Orientation can be designed to incorporate the organization; values and training programs can be set up for the individuals most likely to be faced with ethical dilemmas in their work; developing ethics training programs for various groups using diverse materials like ethics games and "what went wrong videos" (ESI; ESO; ETR).

- Integrity can be emphasized in section and promotion decisions (EAP; MAD).
- Decision-making processes can incorporate attention to ethical issues by devoting time at meetings and space in reports; consistent ways of communicating ethics (through applying basis communication principles and aligning formal and informal communication systems like corporate codes of ethical conduct, mission or values statements, recruiting brochures, corporate magazines and newsletters, annual reports, policy manuals (FEI; IOC; COE).
- Communicate senior management commitment to ethics; symbolic management encourages organizational leaders and managers to be heroic, to create rituals, symbols, and sagas that will influence those they manage (EMB).
- The organization can be "remythologized" by reviving myths and stories of its founding and resurrecting related tales that can guide organizational behavior in the desired direction (COG).

Treviño suggests periodical evaluation of intervention programs to determine whether norms have changed and to pinpoint problem areas. Next, indications are given about the ethics of managing organizational ethics. They start with the very essential questions whose values or ethics are to prevail, and how we do know that they are worth emulating. The answers are clear (1990, 219-220; 1995, 219; 2007, 300): a change and development approach that involves employees is not manipulative or coercive and is most consistent with a concern for the ethics of the change effort itself. Employees should participate in the problem diagnosis and planning process. They should be aware of what is happening and should take part in identifying problems and recommending solutions. Finally, Treviño (1990, 220) offers suggestions for consultants engaging in cultural change. In the 1995 and 2007 editions, this part of the next has been omitted, though it consists of important notions. To be complete in this discussion, the 1990 text ends up with a case description of Citicorp and "the work ethic" game (reflection of a strong ethics culture) (1990, 220-227).

In what way does this paper contribute to moral climate theory?

(1) *Conceptually*, Treviño promises much, but in fact offers little. The term ethics culture is used in both a descriptive and an evaluative meaning, however without using clear evaluative criteria (an issue to be addressed below in more detail). In fact, Treviño even does not describe the ethics component of culture properly, but instead mentions formal and informal systems determining culture, such as reward systems (formal) or language (informal).

(2) *Typologically,* Treviño has little to report; since there is no clear definition consisting of dimensions to arrange culture by, no typology could be constructed, apart from a continuum ranging from unethical to ethical.

(3) *Empirically,* little can be said, since no systematic examinations have taken place; it is true, Treviño presents two vignettes to illustrate the model, but this little explanatory value, spoken strictly. Though culture is considered as an independent variable (and ethical and unethical behavior as the dependent variable), it remains unclear as to what causes culture. Environmental pressures are mentioned, but the idea of culture following structure following strategy following environmental demands is not elaborated, though at times seems to be aware of this line of thinking.

(4) From an *evaluative* perspective, Treviño seems to adopt a "more ethical" approach, however, making clear what makes one culture ethically better (or worse) than other cultures, apart from "considering ethics". Here, ignoring Kohlbergian cognitive moral development theory that is yet advocated in her study is a first class missed opportunity to borrow evaluative criteria from, as in particular is reflected in the assumption concerning the nature of men can be scrutinized. Of course, people cannot be simply called "bad" or "good"; considering circumstances can improve understanding of immoral behavior. However, from a Kohlbergian cognitive moral development perspective, more can be said about their assumptions, for instance that ethical and unethical behaviors get their meaning within the terms of developmental

stages.

Furthermore, at times, Treviño also seems to adopt a pragmatic contingency approach emphasizing some fit between ethics culture and organizational tasks and assignments. However, though 'one size fits all' approach is rejected, the elaboration does not reflect a pragmatic contingency approach appropriately (as, for instance, is reflected in both samples of questions for auditing the formal and the informal systems). Environmental factors are neglected to a large degree, as are strategic and competition factors, as well as characteristics of industry. The impact of organizational structure is not recognized while ignoring authoritative authors, including Mintzberg (1975), for instance. Perhaps organizational (ethics) cultures differ because of different strategies imposing restrictions upon the degrees of freedom to 'choose' an appropriate organizational structure and to institutionalize ethics properly. In the end, the formal and informal systems factors included in the model at least partly seem to be chosen arbitrary while being elaborated only superficially and uncritically. Since both criteria (more moral and pragmatic consistency fit) are badly understood, their problematic relation described in terms of "troublesome twin" is not recognized. This issue returns in the suggestion to evaluate intervention programs over an extended period of time. Here, too, criteria of evaluation are necessary in order to evaluate properly. Using "changing of norms" as a criterion for effective change is not sufficient when it is not specified in terms of which norms. It is even thinkable that a positive change occurs when people become dedicated to and stick to norms and rules that were already present. The conditions formulated concerning the ethics of managing organizational ethics do perhaps throw some light on the direction of change, but they are rather general conditions that probably even cannot always be met, depending of the type of moral climate of the organization.

(5) The objections just made can be recognized in the way Treviño deals with *interventional* issues. She mentions many possibilities to influence ethics culture, but hardly or no real structural interventions (ORS), policy development, implementation and evaluation (POD), evaluation of organizational goals and values (EGV), and evaluation of organizational products and services (EPS). In the structure-action debate, she clearly does not choose a structural position, despite the emphasis laid on formal systems. However, in spite of the restrictions due to this emphasis, the proposed intervention program is ambitious and demanding from the condition that the complexity of the solution must match the complexity of the problem, and that overly simple and shortsighted solutions must be avoided. Perhaps it is more realistic to accept that organizations can be changed only through piecemeal engineering, that is, not all subsystems can be changed at the same moment. This means starting somewhere when changing everything at the same time is impossible, by choosing the proper point of application (structure, reward system, leadership style) without neglecting the other systems. At his point, Treviño is not clear about where to begin with. An action-oriented approach would suggest starting with people (for instance, by selecting them according to proper criteria, and training them in ethical awareness and ethical behavior), whereas a system-oriented approach would alter organizational artifacts such as formal systems, and if possible, the organizational structure and production processes, or maybe even organizational strategy (though this probably falls outside Treviño's premises). An interesting point of criticism to be discussed following the above concerns the warning to avoid a cookie-cutter approach. As it seems, Treviño does not succeed in overcoming this approach herself. Though suggesting that every change program is organization-specific, in fact a one-size-fits-all approach is presented that leaves little room for variation, even if variation is necessary. For instance, discussing data with employees may seem to be an elegant way of institutionalizing ethics, it may be doubted that this is always effective. It is not only time consuming, but also asks for some preconditions like employees' readiness and ability to engage in organization development programs. The same goes probably true for codes of ethical conduct; introducing a code in a participatory way does ask the same kind of readiness and ability. In organizations in which many of the employees are in Stage 2, a top down approach could be more effective, in combination with a reward

system that explicitly rewards good behavior (since this is in line with a Stage 2 mode of moral reasoning and acting). More in general, from a Kohlbergian perspective, a stage-specific approach of moral climate s worthwhile considering, as is defended throughout the present study.
In sum, the direction chosen (ethics culture) could indeed be a fruitful one. However, in its very essence this contribution of Treviño shows that a focus on moral climate intervention asks for a more thorough and consistent conceptualization of moral climate in terms of its defining characteristics, including sound criteria for moral climate evaluation instead of confusing descriptive and evaluative meaning of terms.

- Not every publication of Treviño and associates on ethical decision-making in organizations applies a moral climate concept (for instance, Treviño & Youngblood, 1990), while some only refer to it in an oblique way. As an example, *Moral Reasoning and Business Ethics: Implications for Research, Education, and Management* (Treviño, 1992) is discussed briefly. This paper mainly reviews Kohlberg's (1969) theory of cognitive moral development and highlights moral reasoning research relevant to business ethics, for instance methods to measure cognitive moral development (including the *Defining Issues Test* of Rest). She addresses also the justice-care debate about gender influences on moral reasoning (Gilligan). Treviño discusses implications for business ethics research, higher education, and the management of (un)ethical behavior. This article is not explicitly meant to contribute to moral climate theory, although Treviño points at the effects of culture on moral reasoning and does refer briefly to the just community approach and its application to worker-owned companies with its emphasis on workplace norms and hidden curricula (Higgins & Gordon, 1985). Treviño does not explore this line of thought in much detail, apart from raising an important question (1992, 455) whether business educators can envision the development of just communities in business education programs. According to Treviño, the creation of a just community requires faculty and administrators to willingly change their behavior, letting go of their positions of unquestioned authority and opening themselves to the challenges of a truly democratic community.
  Brief attention is paid to evaluative issues. While appraising Kohlberg's theory as unique because it represents an integration of normative and descriptive/predictive approaches, she agrees with Kohlberg that the highest stages are thought to be more desirable in that they are consistent with moral philosophers' moral reasoning.
  Treviño also suggests directions for intervention, primarily at the individual level, including creating role taking opportunities, assigning responsibilities, training and education, and group decision-making (ETR; JOB). On the structural level, she proposes to find managerial structures and systems that encourage managers to take personal responsibility for their decisions and actions (POD; ORS). Future research also should emphasize the external social system as the primary source of morality rather than the individual and should furthermore examine the person-situation interaction (in the way proposed by the author in her 1986 article).
  The merits of this paper lie in promoting cognitive moral developmental theory for use in business ethics. However, as in the 1986 paper, Treviño ignores the richness of Kohlbergian moral atmosphere theory, and, more generally, focuses too little on ethical culture from the perspective of person-situation interaction, despite her suggestions to do so. Important is the suggestion that managers should develop into principled stages, or that in general management tasks in fact demand a conventional model of moral reasoning based on conventions on the organizational level. Though the author recognizes the importance of environmental factors influencing individual moral behavior, her suggestions for improvement remain mainly unspecified as can be concluded from her proposals for intervention. In sum, Treviño could have made a more explicit use of the moral atmosphere part of Kohlberg's theory of cognitive moral development for her own purpose.

In the 1998 publication of Treviño, Butterfield, and McCabe, the battle between ethical climate and ethical climate is fought out, in ways described below. A slightly modified version of this text was published as chapter nine of *Managing Ethics in Business Organizations* (Treviño & Weaver, 2003). Since both versions do not entirely overlap, both versions are referred to in the following discussion.

- In *The Ethical Context in Organizations: Influences on Employee Attitudes and Behaviors*, Treviño, Butterfield and McCabe (1998) (slightly adapted reprinted in Treviño & Weaver, 2003, 231-266) report of a field survey focusing on two constructs that have been developed to represent the ethical context in organizations: ethical climate and ethical culture. Three largely unresolved issues appear as research questions. How can empirical support for the relation between individual ethical conduct and ethical context be gained (culture/climate)? Are measures of ethical climate and ethical culture tapping the same of different aspects of the ethical context? Do ethical culture and ethical climate predict the same of different outcomes?

  The climate-culture literature is briefly addressed (Denison, 1996; Reichers & Schneider, 1990). Both constructs concern the organizational context - the internal social psychological environment of organizations and the relationship of that environment to individual and organizational adaptation (1998, 448; 2003, 232), asking for a more integrative approach instead of focusing on the contrasts between these literatures only serving the self-interest of researchers in each camp. Therefore, similarities and overlaps as well as the differences between these constructs are explored in order to gain a better understanding of the relationship between the ethical organizational context and employee attitudes and behaviors.

  Concerning ethical climate (considered as a subset of organizational climate rooted in the organization's value system), Treviño et al follow Victor and Cullen (1988; 1993) in their definition of ethical climate as the prevailing perception of typical organizational practices and procedures that have ethical content. The nine theoretical climate types are discussed as well as those empirically found, while the possibility of subclimates is considered. Also discussed are relations between ethical climate and behavioral outcomes (such as commitment), assuming that different climate types might be related to different behaviors. An examination of the ethical climate dimensions suggests little behavioral guidance for some climates, broad behavioral guidance for others, and specific behavioral guidance for only a few climate dimensions. This means that the relationship between ethical climate and (un)ethical conduct can hardly be specified in a predictive way since few of the ethical climates provide specific behavioral guidance. Further, since most organizations have a climate profile combining a number of climate types, and since climates may differ across departments, further behavioral prediction is difficult. The authors conclude that empirical support for a direct relationship between ethical climate and behavior is still lacking (1998, 450-451; 2003, 232-233).

  According to Treviño et al (1998, 451-453; 2003, 234-235), the ethical culture construct emphasizes broad patterns of underlying values, beliefs and assumptions, the uniqueness of individual social settings, evolution of patterns over time, and qualitative research methods. The authors point out that the many approaches to the study of culture can be divided into two categories: the *phenomenal*, focusing on observable behaviors and artifacts, and the *ideational*, focusing on underlying shared meanings, symbols, and values. Treviño's ethical culture construct as explicated in her 1986 and 1990 contributions emphasize the phenomenal level of culture: the more conscious, overt, and observable manifestations of culture such as structures (in particular, normative structure), formal and informal systems of behavioral control, and organizational practices, rather than the deeper structure of values and assumptions. In its function, culture exerts a powerful influence on individual behavior by helping to establish what is considered legitimate or unacceptable in an organization and by providing direction for day-to-day

behavior. Quoting Cohen (1993, 355), the authors suggest that in order to develop and maintain work climates that facilitate ethical conduct, it is necessary to reduce any discord between goals and means expressed in various aspects of the culture. However, at that moment, little empirical work has been conducted to support the existence of a multidimensional ethical organizational culture and its proposed relationship with (un)ethical conduct. Therefore, the authors suggest exploring the relationship between ethical culture and employee attitudes.

Concerning the relationship between ethical climate and culture, the literature seems to demonstrate confusion rather than conceptual clarity, despite the view of Victor and Cullen (1988, 103) stating that the ethical climate questionnaire is simply an instrument to tap, through the perceptions of organizational participant, the ethical dimensions of organizational culture.

Treviño, Butterfield and McCabe (1988, 453; 2003, 235-236) propose to consider the metaphors evoked by the notions of ethical climate and ethical culture. According to them, the term climate suggests meteorological climate and qualities such as temperature, humidity, precipitation, wind, and other atmospheric conditions that can affect individuals, though it is unclear exactly what these effects will be. In contrast, the term culture evokes notions of rules, codes, rewards, leadership, rituals and stories – sense making devices that more explicitly guide and shape behavior. In this metaphorical sense, ethical climate may characterize organizations in terms of broad normative characteristics and qualities that tell people what kind of organization this is - essentially what the organizations values. If so, ethical climate is likely to be associated with attitudes, but may influence decision-making and behavior only indirectly. Ethical culture, on the other hand, characterizes the organization in terms of formal and informal control systems. Thus, the authors conclude, we may therefore find a stronger relationship between dimensions of ethical culture and ethical conduct. Ethical climate and ethical culture are also related to each other. For instance, a culture that supports ethical conduct through codes of conduct is likely to be related to a climate that values rules and laws. In order to answer questions about the relationship between these constructs, and their relationships with attitudes and behaviors, both must be jointly included in one study, as was conducted by the authors.

In a survey conducted to examine differences between ethical climate and ethical culture to get a better grip on the controversy, both were considered taken an independent variable. Ethical climate was measured through the Ethical Climate Questionnaire of Victor and Cullen (1987; 1988), whereas ethical culture was measured with instruments based on those previously developed by Treviño (discussed above). Items were developed to measure peer behavior, as well as the extent to which norms support ethical conduct, ethical behavior is rewarded, unethical behavior is punished, and organizational leaders act as models for ethical conduct, employees are expected to obey authority figures without question, and employees report unethical behavior when it occurs. Additionally, the authors suggest that formal organizational policies, rules, and statements and their implementation are important aspects of the organization, which generally appear in the form of an organization's ethical code. For this reason, respondent were asked whether their current organization has a code of ethics. If so, respondents were asked fourteen additional questions regarding the code's implementation and integration into the organization. Responses to these code-related questions were treated as missing values for respondents in non-code work organizations (1998, 455; 2003, 237). Dependent variables organizational commitment and observed unethical behavior, whereas control variables measures are introduced to control for job satisfaction and impression management (social desirability bias). Statistical analyses were made of the relationship between ethical climate and ethical culture and of the influences of ethical climate and ethical culture on commitment and behavior. Tests were conducted separately for the code sample and for the non-code sample. The authors also used the "usefulness analysis" approach to address problems with multi-collinearity among the independent variables. This approach uses hierarchical regression to examine an independent variable's contribution to unique variance in the dependent variable beyond the

contribution of another independent variable (1998, 456-457; 2003, 239-240). The combined factor analysis revealed ten significant factors:

- a fourteen-item measure of overall "ethical environment", which included the degree to which unethical behavior is punished, the degree to which ethical behavior is rewarded, leaders' role-modeling, the degree to which the ethics code if effective in promoting ethical behavior, and ethical norms (all derived from ethical culture items);
- a six-item measure of "employee-focused behavior"
- a four-item measure of "community-focused climate";
- a three-item measure of "obedience to authority" (derived from culture items)
- a four-item measure of "code implementation" (derived from culture items);
- a two-item measure of "self-interest climate";
- a four-item measure of "efficiency climate";
- a two-item measure of "rules and procedures climate";
- a three-item measure of "personal ethics climate".
- a two-item measure of "law and professional codes climate".

To the authors' conclusion, the two constructs measured somewhat different, though strongly related dimensions of the ethical context (a complete overview of results can be found in section 5 included on the CD-ROM). Ethical climate and culture are not alternative ways of conceptualizing the ethical context, because some of the dimensions were more strongly associated with behavior and others were more strongly associated with commitment. In particular, correlations were high between ethical environment (the main culture-based factor) and employee-focused climate, community-focused climate, law and professional code climate, and self-interest climate (negative correlation) (1998, 467; 2003, 256).

The authors also examined the relationships between the emergent ethical context factors and an ethics-related attitude (organizational commitment) and behavior (observed unethical conduct) for respondents working in organizations with and without ethical codes. Results indicated that an ethical culture-based dimension was more strongly associated with observed unethical conduct in code organizations, while climate based dimensions were more strongly associated with observed unethical conduct in non-code organizations. The authors express an important notion of caution considering the results because they may represent a tautology. To the extent that unethical behavior (lying, cheating, stealing) is defined as self-interested, it is not surprising to find that respondents who perceived self-interest in their organization will also say that they observe more unethical behavior. The recognition of this possible tautology is absent in many other moral climate research.

Next, the authors considered the climate and culture dimensions that not enter significantly into the regression equations. Four of the seven ethical climate dimensions (employee focus, community focus, personal ethics, and efficiency) had no significant associations with observed unethical behavior. One of the three ethical culture dimensions (code implementation) did not contribute significantly. This may suggest that a number of aspects of the ethical context are unrelated to conduct, although they may be related to attitudes (1998, 469; 2003, 258).

The authors found that two-ethical culture-based (overall ethical environment and obedience to authority) dimensions were the best overall predictors of unethical conduct, and they operated similarly in code and non-code organizations. A climate focused on self-interest was also associated with unethical conduct in both code and non-code settings. However, it was the most important contextual variable in non-code settings. In non-code settings, a focus on adhering to laws and professional standards was also associated with unethical conduct. Furthermore, regarding context influenced behavior, difference were found between code and non-code settings (1998, 469; 2003, 259).

According to Treviño et al, when speaking more generally about ethical conduct in organizations

(without the code/non-code distinction), selected dimensions from both the ethical climate and ethical culture construct are relevant and should be incorporated in future studies of the relationship between ethical context and unethical conduct: overall ethical environment, obedience to authority, self-interest, and law and professional code (1998, 469; 2003, 259).
Ethical culture and ethical climate-based factors influenced organizational commitment; measures of ethical climate and ethical culture were almost interchangeable in their ability to predict employee attitudes in code and non-code settings, providing organizations with multiple options for influencing organizational commitment (1998, 470; 2003, 259-260).
Concerning implications for theory development, the authors conclude that their findings support the general theory driving their research - that the ethical context of the organization is associated with employee attitudes and behaviors. The question remains about how best to conceptualize the ethical context of organizations and its relationships with attitudes and behaviors. Treviño et al answer this question by confessing themselves to the model of Cohen (1998) and the way she proposes to integrate culture and climate components while considering technological, political, and cultural processes (discussed in detail in section 6, and in summarized 5.3.6, below).

Limitations to the study can be found in focusing on individual perceptions of organizational phenomena, the possibility of social desirability bias, the lack of causal relations, bias because of working with code and non-code organizations, a bias caused by the focus on unethical behavior at the neglect of prosocial and ethical conduct, and poor generalizability due to sample characteristics (1998, 471-472; 2003, 262-263).
Concerning moral climate *evaluation*, there is the normative assumption that it would be normatively better to have an organization high in commitment and low in unethical conduct, to stress benevolence and avoid egoism, and show care for employees and the larger community. They further posit a deterministic perspective, implying that cultural factors in organizations can and will influence individual conduct. The authors then raise the important question whether organizations should be managing the ethics of their members, or should employees be left to follow their own principles. Their point of view is clear: organizations should be proactively managing the organization, ethical context, and management's lack of attention to these factors can be characterized as benign neglect because in such instances, cultural factors from the broader business environment are likely to take over in the absence of firm-level influences. The authors are quite explicit about the nature of this influence from the broader business environment: self-interest is central to the highly competitive global business environment and individual businesspersons work within and are influenced by that environment and show this influences in unethical conduct and low commitment (1998, 473-474). To balance these strong impulses from self-interested business environment, organizations must create a sub-context in which moral values other than egoism are encouraged and rewarded. From this premise, further attention is paid to managerial implications and directions for moral climate *intervention* (1998, 471; 2003, 261-262). Guidelines are suggested to decrease unethical conduct, including exemplary management behavior (EMB), care about employees (reward systems rewarding ethical conduct and disciplining unethical conduct (ERE; EPD), codes of ethics (COE), a focus away from strict obedience to authority, away from self-interest at the expense of other considerations, and a focus on adherence to the law and professional standards when they apply (COG). The authors suggest a number of routes managers can take to obtain employee commitment through the ethical context. Managers can focus on developing a culture that supports ethical conduct and discourages unethical conduct through leadership, reward systems, codes, and norms and on developing climates that emphasize the good of employees, customers, and the public rather than self-interest.

Does this publication of Treviño, Butterfield, and McCabe represent a step forward when compared to their earlier publications?

(1) From a *conceptual* point of view, Treviño, Butterfield, and McCabe discuss an important issue: the relationship between the concepts of ethical culture and ethical climate and their relation to (un)ethical conduct and commitment. In this discussion, some remarkable features emerge. The rather uncritical appraisal of Kohlbergian theory displayed in earlier publications of Treviño (1986; 1990; 1992; 1995) seems to have been discarded from the heart of the model for no apparent reasons and exchanged for a just as uncritical turn to the model of Victor and Cullen considered representative for moral climate theory. Because of this, conceptual trouble is to some degree duplicated from the model of Victor and Cullen, who interchangeably spoke of ethical climate and ethical dimension, without taking care of clear definitions and proper use of terms. In the same vein, 'ethical culture' is defined rather loosely as a normative subset of organizational culture, instead of, for instance, a descriptive quality, a parameter, or some measure of organizational culture. When discussing Cohen's moral climate concept, Treviño, Butterfield and McCabe simply equate this concept with their own ethical culture concept, though a closer look reveals many differences as well

Furthermore, with respect to organizational climate literature, the long-lasting climate tradition is grossly overlooked, as are more in particularly the review articles about the culture-climate debate of, for instance, Reichers and Schneider (1990) and Rentsch (1995). In fact, only Denison's review article (1996) is referred to in some detail, but the conceptual pitfalls of climate theory and the differences between climate and culture traditions and mindsets are ignored for the most part. In a subsequent discussion of the climate-culture controversy, the authors choose to take a metaphorical approach by considering the notions evoked by the terms culture and climate. Climate is interpreted in terms of atmospheric normative conditions affecting human behavior, while culture is associated with sense-making devices of a more "tangible" kind (control systems like codes and reward systems). Unfortunately, these associations overlook the theoretical discussions of this controversy as discussed by, for instance, Denison. Thus, the associations are nothing more or less than what they are: associations, without explicit reference to underlying concepts, leading to a lack of conceptual clarity that is needed so badly in moral climate theory.

Next, as in earlier contributions of Treviño, the meaning of 'ethical' does not become very clear. Though Victor and Cullen seems to use the concept "ethical climate" in a descriptive meaning, Treviño et appear to use the word in a normative meaning, as terms such as '(in)appropriate', '(un)acceptable', or even 'legitimate' indicate. However, these terms are quite different and underspecified. A particular kind of behavior, for instance, being dishonest, is considered unethical under specific conditions, but can be quite acceptable in organizational settings where individual of organizational survival is at stake. Behavior can be legitimate (approved by law), but still be unethical, for instance because the particular law is outmoded, or unjust in itself. Managers can find bullying employees quite acceptable, but this does not make it ethical.

Ethical aspects are described rather tautological, in almost circular terms, as the authors recognize themselves in their discussion of ethical egoism and unethical behavior. Indeed, self-interest, lack of commitment to others and the possibility of unethical conduct are defining characteristics of egoism, or at least implied by it, whereas, in the same vein, benevolence is closely connected to commitment, since by implication commitment is based on benevolence, be it with regard to either employees or society.

(2) From a *typological* point of view, the typology of Victor and Cullen and its underlying structure is confirmed by using the Ethical Climate Questionnaire, though not scrutinized. Therefore, the objections to this ECQ and its underlying structure apply here without restriction.

(3) *Empirically*, the multidimensional theory consisting of organizational factors that explain the relationship between the ethical context and (un)ethical behavior is an important step forward. However, more is required to gain full understanding of organizational (un)ethical behavior. For instance, why do

leaders behave the way they do? Are certain types of unethical behavior endemic to certain types of industry because of environmental constraints or historical or juridical circumstances? A more comprehensive (integral) contingency theory may supply with the necessary elements for analysis and intervention. Conducting more research is necessary but not the only thing; before conducting research, conceptual questions should be addressed more carefully.

Next, perhaps the authors overestimate the impact of ethical codes and confuse having a code with observing and enforcing it. Moreover, ethical codes are not one of a kind: general mission statements differ in many respects from detailed guidelines for ethical behavior. Using my own experiences with ethical codes of conduct (including those of the undistributed file drawer type as well as properly institutionalized codes), I am afraid I cannot share the authors' optimism, but since the effectiveness of codes of ethical conducts is an empirical matter, I will consider this point undecided so far. Another point concerns the poorly addressed issue as to why code organizations are more related to ethical conduct than are non-code organizations. Since the authors do not specify the organizations included in their survey in terms of type industry, it cannot be traced whether differences found are in fact due to industry-related factors rather than having or not having a code. It can be thought of that these very factors correlate with having or not having a code.

(4) The *evaluative* aspect of ethical climates is addressed inadequately. The authors seem to consider a normative theory as a dominant mode of reasoning in a particular ethical climate type, but do not further elaborate this line of thought. If doing so, they might come very close again to Kohlberg's theory of cognitive moral development on which the model of Victor and Cullen was built (according to themselves), though without the moral developmental criterion that makes up the core of Kohlbergian thinking. Concerning evaluative questions, Treviño, Butterfield and McCabe could have been using Kohlbergian theory (still described in Treviño and Weaver, 2003, 165-174), though for some reason this has not been included in their moral climate theory. Instead, they have two criteria in mind with regard to normatively good organizational outcomes: ethical conduct and commitment. However, the first criterion is rather unspecified: it can easily be learned from Kohlberg's theory of cognitive moral development that each developmental stage has its own criteria for moral goodness and formulates moral questions in its own terms. The second criterion is not a moral criterion at all. Commitment is nothing more or nothing less than a state of mind, an attitude towards other people or smaller or larger social entities. People can be committed to an organization for very different reasons, one of which is self-interest (that can go along with organizational interest). It is even possible that people show a high degree of commitment to an unethical organization (for instance to an organization making products suffering from poor quality). In other words, commitment without further notion is an empty category, as is ethical conduct. This leaves us with a superficial and indecisive answer to evaluative issues, at best explained in terms of an unspecified "more moral".

(5) From an *interventional* perspective, the organization theory espoused by Treviño et al is surprisingly deterministic. Organizations and their cultures shape the attitudes and behaviors of individuals, while on their turn organizations are influenced by their environment evoking self-interested attitudes behaviors. Thus, one might ask, how is change possible at all under these circumstances, and if so, who will be its initiator and what methods of intervention should s/he use? The intervention theory to change the ethical context proposed by the authors is rather general: change reward systems, take care of appropriate leadership behavior, try to fix ethical norms that go beyond self-interest, and develop an ethical code of conduct. Striking is the lack of directions to influence the ethical context (including policies, structure, et cetera). When adopting a deterministic point of view, influencing the (internal and external) context seems to be more obvious than trying to change individuals (admitted that a reward system could be considered a part of the ethical context). In other words, a deterministic approach is hard to align with the emphasis Treviño and associates have laid on organizational change and development. Deterministic or not, the

authors do not address questions about dynamics, that is, about how exactly ethical culture/climate shapes individuals' attitudes and behaviors, apart from leadership behavior and reward systems. However, more needs to be said about assumptions, since the authors apparently generalize organizational environments. On the empirical level, their assessment is clearly wrong or at least biased when we look at the number of organizations that show prosocial behavior and do not seem to suffer from employee self-interested attitudes and behavior. On the conceptual level, the authors seem to have in mind only business organizations in a competitive environment, which is only one of the possible types of environments. Governmental organizations will probably differ because of their environments, as will organizations that operate in less competitive environments (oligopolistic and monopolist organizations).
In sum, a contingency approach giving climate-specific suggestions for intervention could be more useful at this point than the "one size fits all approach" proposed by the authors based on a simplified image of organizations and a self-contradictory emphasis on influencing individuals.

To be conclusive, the effort of Treviño, Butterfield, and McCabe to compare ethical climate and ethical culture does not help us much further, because of sloppy conceptualizations of both ethical climate and ethical culture. These being much alike, research operationalizations based on it, will also be much alike, as will be survey results. The rabbit the authors pull out of the tall hat after much methodological wanderings, is the much the same rabbit they have put into the tall hat themselves. In other words, the survey and its results show a high degree of circularity (as the authors admit with regard to the relationship between unethical behavior, commitment, and the self-interested climate dimension). Here, the neglect of traditional conceptual and methodological differences between climate and culture approaches probably played a trick on the authors. When these conceptual and methodological differences would have been taken into account, empirical results would accordingly have been different as well. Furthermore, regrettable is the apparent abandoning of Kohlbergian insights. It might have helped them to identify stage-bound definitions of (un)ethical behavior that now appears to be defined rather arbitrary, if defined at all. Unfortunately, the uncritical turn to the model of Victor and Cullen is not a lucky one.

- In their contribution *Ethical Leadership: A Review and Future Directions*, Brown and Treviño (2006) focus on the emerging construct of ethical leadership and compare this construct with related concepts that share a common concern for a moral dimension of leadership (e.g., spiritual, authentic, and transformational leadership). Drawing broadly from the intersection of the ethics and leadership literatures, they offer propositions about the antecedents and outcomes of ethical leadership, one of which is ethical climate. In this sense, ethical climate is here taken as an auxiliary concept. The essential role of leadership in ethical climate (of whatever kind, style, or type) is advocated amply. Brown and Treviño draw primarily on earlier work of Treviño and associates on ethical climate, and offer no major redefinitions or refinements of their theoretical model and its assumptions and foundations. However, their elaboration of the leadership variable as related to ethical climate means an important step forward in both understanding and influencing ethical climate, though no conceptual or other developments can be reported compared to earlier publications. Concerning moral climate evaluation, a more distinct exploration of the notion of the adjective ethical when connected to both leadership and climate is lacking. Suggestions for intervention are mainly directed at leaders, including leaders as role models (EMB), selecting, socializing, training, developing, and appraising leaders (ESE; ESO; ETR; MAD), and considering the contents of their job (JOB), at the neglect of other structural interventions, not to mention strategic interventions.

- The last contribution to be discussed here, *Bad Apples, Bad Cases, and Bad Barrels: Meta-Analytic Evidence About Sources of Unethical Decisions at Work*, Kish-Gephart, Harrison, and Treviño (2010) conduct a meta-analysis concerning sources of unethical decisions at work (individual characteristics, moral issue

characteristics, organizational environment characteristics. The latter include ethical climate, ethical culture, and corporate codes of conduct. When confining ourselves to the ethical climate and ethical culture part, is becomes clear that the conceptual problems of the model of Treviño still are not resolved properly. Both ethical climate and culture are considered as organizational environment characteristics, capturing shared beliefs, norms, and formalized procedures and rules for governing workplace behavior. Put generally, ethical climates represent beliefs about "what constitutes right behavior" in an organization and, thus, provide behavioral guidance for employees. Ethical climate is further defined in terms of the typology of Victor and Cullen, on the understanding that only three of their climate types (sometimes indicated as climate dimensions) are used, notably egoistic ethical climate, benevolent ethical climate, and principled organizational climate (note the inconsistent terminology). The locus of analysis dimensions is abandoned in favor of the ethical criterion dimension of the Victor and Cullen model. The ethical culture construct was conceptualized as representing a more singular perception of leader role modeling, the organization's systems, procedures, and practices for guiding and supporting ethical behavior, as in earlier publications. These ethical culture systems communicate behavioral and accountability expectations, while specifying organizational elements such as executive ethical leadership and reward or disciplinary policies. The meta-analysis showed that both the three ethical climate types and ethical culture were determinants of (un)ethical choice. However, despite its strong independent effect, ethical culture did not account for unique variance in either unethical intention or unethical behavior beyond other predictors of (un)ethical choice. This finding likely stemmed from the high correlation of ethical culture with several other predictors, including egoistic climate, benevolent climate, principled climate, and code enforcement. Therefore, Kish-Gephart et al (2010) seem to favor the model of Victor and Cullen (in its simplified form) above the initial ethical culture concept. In all, the uncritical approach of the model of Victor and Cullen is striking, whereas, as a final note, it should be mentioned especially that an interesting feature of this contribution is the renewed attention for intuitive and automatic processes in ethical choice (intention/behavior) (as part of the bad apple issue).

From an *empirical* perspective, the question can be raised whether this research was a meta-analysis in its strict meaning (in the way discussed in chapter 2 of the present study). From an *evaluative* perspective, the Treviño approach still lacks clear criteria for evaluation moral climate. Though the meta-analysis focuses on the antecedents of (un)ethical choice, some suggestions are given for *intervention*, aiming at training and selecting individuals (curing and avoiding bad apples) (ETR; ESE), "sharpening the edges of bad cases" by focusing on ethical issues, concrete guidance, and improving communication about ethics (FEI, COG, IOC), and exemplary management behavior, effectively enforced codes of ethics, and reward systems, concerning influencing bad barrels (EMB; COE; ERE).

2. Extensions of the ethical climate theory of Treviño and associates

* In her contribution *Organizational Ethical Culture: Real or Imagined?*, Susan Key gives a critical assessment of the Ethical Culture Questionnaire (ECQ) designed by Treviño, Butterfield and McCabe and described in their unpublished paper *Contextual Influences on Ethics-Related Outcomes in Organizations: Rethinking Ethical Climate and Ethical Culture* (1995). This text may be thought of as an earlier version of their contribution *The Ethical Context in Organizations: Influences on Employee Attitudes and Behaviors* (1998).

Key prefers the ECQ of Treviño et al above the Ethical Climate Questionnaire of Victor and Cullen because she does not find it answering the fundamental question of how ethical an organization's practices are. Their ethical climate construct does not measure what Victor and Cullen claim that it does. Key argues that it describes how an organization's members are likely to respond to ethical dilemmas. The organizational ethical culture concept may provide better

insight into how ethical an organization is, and provide a means to assess organizational ethical culture dichotomously or on a continuum (1999, 218-219).

Following Treviño, Key considers ethical culture as a subset of organizational culture that represents a multidimensional interplay among various formal and informal systems of behavior control that are capable of promoting ethical or unethical behavior. Thus, ethical culture represents shared norms and beliefs about ethics within an organization, measured by Key with a modified version of the ECQ (some items deleted or reworded), presented as the ECQ-M. In contrast to the multidimensional approach of Victor and Cullen, the ECQ (-M) is a continuous scale of measurement. Earlier factor analysis of the ethical climate questionnaire by Treviño et al showed to load on seven factors while the ECQ loaded primarily on one factor after the removal of the problematic code items. Because of a lack of within-organizations agreement, Key suggests that the ECQ-M might not measure the ethical culture of an organization as was claimed by Treviño and associates. Instead, it may measure individual perception about the ethical aspects of an organization that can even vary among intra-company subjects (but may be related to employee dissatisfaction and turnover intention), because of different positions or working in different departments. Key assumes that this results from the ethical culture concept being a highly perceptual one in that its measurement ultimately relies on self-report. Key even concludes that the results of her study raise questions about the construct of ethical culture, as the findings suggest that organizations cannot be easily categorized into simplistic categories such as "ethical" or "unethical" despite popular beliefs or academic attempts to create dichotomous categories. Instead, Key considers her findings to support empirical cultural research that discounts the "uniqueness" of organizational culture and finds that organizational beliefs about cultural uniqueness are not supported while ethical characteristics found were in fact present in many different organizations (1999, 221-223). As a surprise, based on her findings, Key suggests that a more complex variable such as *ethical climate* may provide clearer insight into the ethical dimensions of an organization than the current conceptualization of ethical culture does.

To overcome the issue, Key suggests two avenues of future research (1999, 222-223). The first avenue is assessing what the ethical culture metrics *are* really measuring, since findings suggest that they measure individual perception about something. Perhaps, the ECQ does predict individual ethical behavior even if it does not identify the ethics of an organization. The second avenue of research - considered more important - is developing a metric that *does* assess the construct of ethical culture as it has been defined in the literature (by Treviño et al). Key gives methodological suggestions, based on the conclusion that individual self-report of ethical behavior is not very accurate, as are individual self-reports of organizational ethics. Instruments that directly ask individuals about the ethical nature of their organization may not be an accurate way to measure the ethical culture construct. For this reason, vignettes that present ethical dilemmas have been used increasingly to measure individual ethics. In the same way, an instrument could be developed that uses ethical vignettes to identify the shared beliefs underpinning the ethical culture of organizations.

Key offers no explicit criterion for moral climate *evaluation*, apart from arranging organizations on a continuum from less to more ethical, however, without specifying the meaning of "ethical". No directions for moral climate *intervention* were given.

Key's main conclusion is that the ethical culture construct is not as useful as one might think because organizations cannot be ranked along an ethical-unethical dimension. Perhaps, this conclusion is drawn too hastily. Identifying an organization's ethical culture is quite different from ranking different ethical cultures according to their ethical status. This latter operation requires one or more evaluative criteria. While not using such criteria, Key cannot make evaluative judgments about the ethical status of an organization. Here, the term ethical is clearly used in a prescriptive but unspecified way. This does not imply that organizations cannot be described in terms of ethical values and procedures that (do not) guide organizational decision-making. Therefore, the construct of ethical culture can easily be saved when used in a descriptive way, with additional criteria for evaluation and prescription.

Interestingly, Key warns for self-reports while suggesting alternative research strategies and instruments, including the use of vignettes. Unfortunately, Key seems to be completely unaware of the Kohlbergian tradition using vignettes to tap individual and collective stages of moral reasoning (see Weber, 1995, for examples).

In sum, Key throws away the ethical culture concept too early, while suggesting exchanging it for a concept that is even more troublesome, the ethical climate concept of Victor and Cullen. Key's survey demonstrates that proper investigations require theoretical preparations as well as knowing your way and choosing a well-founded position in the very complicated culture - climate debate, including considering the notion of formal and informal subclimates.

* Also inspired by the ethical culture concept of Treviño et al were Akwasi Ampofo, Bahaudin Mujtaba, Frank Cavico, and Laura Tindall (2004) in their paper *The Relationship Between Organizational Ethical Culture And The Ethical Behavior Of Employees: A Study Of Accounting And Finance Professionals In The Insurance Industry Of United States.* They explored the relationship between organizational ethical culture and ethical behavior of accounting/finance professionals working in the insurance industry in the United States. Results of 100 respondents in five different insurance organizations suggest that there is a significant relationship between organizational ethical culture and ethical behavioral intentions given bad debt write off and insider trading ethical vignettes. These findings were consistent with prior research findings that written (formal) and unwritten (informal) organizational policies significantly affect employees' ethical decision-making, and that organizational culture sends messages as to sanctioned and unsanctioned behavior. The organizational ethical culture is considered as a big part of the shared beliefs, and guiding principles that influence employee actions.

Ampofo et al further used Key's (1999) description of organizational ethical culture, defined as the as beliefs about the ethics of an organization, which are shared by its members and may be logically conceptualized on a continuum bounded at one end by unethical companies and at the other, highly ethical companies. Ampofo et al further argue business ethics training, and practice provides intervention and fosters the institutionalization of ethical cultures in organizations. The authors further used the theory of planned behavior (TPB) of Ajzen as an integrative tool to attain the research objectives. While referring to Treviño (1986) and Key (199), the authors measured organizational ethical culture using two vignettes as well as the Ethical Culture Questionnaire asking asks for the perception of each respondent of the ethical culture of company s/he is working for. As in Key's research, results did not reveal agreement among

accounting/finance professionals in organizations; rather they reveal ranges from unethical to very ethical within each organization. This implies that organizational ethical culture represents individual perception about the ethical aspects of an organization. Furthermore, they consider the concept of organizational ethical culture as very abstract and highly perceptual in that its measurement ultimately relies on self-report. Instead of considering other conceptualizations and other measures to capture organizational ethical culture, the authors stick to their conclusion that organizational culture is nothing but individual perception about the ethical aspects of an organization, and not an organizational attribute of which employees can only have partial and limited perception. Probably, the authors' suggestion (2004, 22) to use short and relevant ethical vignettes, that reduce respondent fatigue, will probably not overcome the problem of inaccurate self-reporting measures. Nevertheless, according to the authors, their study extends the literature on ethical decision-making by accountants given workplace influences (for instance, pressure from boss, likelihood of layoff), professional obligations (such as professional codes), and accounting education level.

Concerning moral climate *evaluation*, Ampofo et al simply distinguish organizations that are more ethical and less ethical, arranged on a continuum, however, without applying a clear evaluative criterion grounded in ethics theory. From an *interventional* perspective, the authors strongly promote ethical training and education (using real life well chosen scenarios) (ETR), suggest reconsidering the position of auditors (POD), and advocate enforcing ethical codes (COE). Furthermore, they suggest that ethical employees should be rewarded via performance appraisals and that unethical practices should be denounced (ERE/EPD). However, suggestions for intervention are either rather obvious (ETR; COE) or poorly elaborated (ERE/EPD). To include other and more specific suggestions, more detailed information about the organizations examined is necessary for tailor-made interventions.

In sum, the authors show the possible use of the theory of planned behavior, the limitations of a perceptions approach in moral climate research, and the use of vignettes (though they need to be better chosen and formulated).

3. Kaptein's Corporate Ethical Values Model

Though the contributions of Muel Kaptein (2008; 2009) could have been placed in the next alternative approaches section, he is placed in section 5, mainly because he can be considered as a follower of Treviño, while using her ethical culture theory. Instead of using the Ethical Culture Questionnaire, Kaptein (2008) has designed a model of his own, the Corporate Ethical Virtues Model as an extension of Treviño's thinking. . When present, seven separate virtues make up the ethical culture of an organization. These virtues include clarity, congruency, feasibility, supportability, transparency, discussability, and sanctionability. The findings of a confirmatory factor analysis show that the overall fit of the model is quite high, as are convergent and discriminant validity. According to Kaptein, the resulting 58-item self-reporting questionnaire is a useful tool that can be used in future research and by managers in assessing the ethical culture of their organization. Unlike other models, the Corporate Ethical Virtues Model is (said to be) grounded in virtue ethics, and is obviously intended as a normative model, prescribing a desired ethical culture. However, exactly at this point, some major *conceptual* difficulties emerge. As was indicated in chapter 4, a virtue-based approach of business ethics (and ethics in general) has

some major disadvantages:

1. Inherent to virtue ethics is the global description of virtues, as well as the lack of controllability when it is not translated into a set of moral rules.
2. Sometimes, the formulation of a virtue takes place in terms that may not apply to virtues very well, for instance sanctionability, referring to the likelihood of employees being punished for behaving unethically and rewarded for behaving ethically. How can a likelihood of being punished by a virtue?
3. From a cognitive developmental moral point of view, virtues may be linked to stages and therefore not be stage-neutral, but, on the contrary, inherent to the concept of morality of that particular stage.
4. The ontological status of those phenomena that are termed organizational virtues is far from clear. Are virtues characteristics of organizations, its procedures, its management, or its rank and file employees? What kind of thing is organization that it can have virtues? Can other artifacts, including bicycles, procedures, or compensation schemes also have virtues?
5. The essential objection is translated in the question, whether the virtues identified by Kaptein, are indeed ethical virtues at all. Classical virtues including care, respect, justice, benevolence, honesty, are left aside at the benefit of such characteristics as transparency, clarity, and discussability, which are more like instrumental or conditional virtues, necessary to execute ethical virtues (for instance, feasibility, self-cleansing capacities). The question is even, whether the Corporate Ethical Virtues Model is about ethics at all. Imagine a criminal organization, consisting of classified crooks. Would the sheer presence of clarity, congruency of supervisors, congruency of management, feasibility, supportability, transparency, discussability, and sanctionability makes this organization an ethical organization, or just better partners in crime? From an *empirical* point, concerning the requirements for scale construction, a 58-item questionnaire still is a pretty long one. Perhaps two items per virtue would be more convenient to reduce respondent burden and potential bias. From an *evaluative* point of view it still remains the question why the presence of these organizational ethical virtues make an organization ethically preferable, keeping in mind that the virtues put forward are instrumental virtues, for the most part. The *intervention* theory aiming at developing the organizational ethical virtues is still very general, not allowing tailor-made solutions concerning specific interventions, but relying mainly on ethical training (ETR), codes of ethics (COE) and ethical advocates helping whistle blowers (EAR).

In a subsequent contribution, Kaptein (2009) examines the relative impact of nine components of ethical programs on eight dimensions of ethical culture as described in the 2008 paper (congruency was split in congruency of managers and congruency of supervisors, for no apparent reason). The components of ethical programs include code of ethics, ethics office(r), formal ethics training, ethics hotline, accountability policy, discipline policy, incentives and rewards for ethical behavior, ethical audit/monitoring, and pre-employment screening. Indeed, Kaptein found that different components of ethics programs have different relationships – in terms of significance, strength, and nature – with different dimensions of the ethical culture of organizations. Distinguishing between the components of an ethics program and the dimensions of the ethical culture of an organization helps us to gain a better understanding of these interesting and multi-faceted relationships.

Since Kaptein uses his Corporate Ethical Virtues Model, the critical points raised concerning the *conceptualizations* in this model still apply to his second contribution. Therefore, we will focus mainly on *empirical* issues, in order to return to conceptual issues to the back door.
Because of the very general 'open door' formulation of the research hypotheses – being almost a variation of Goethe's famous line *"Eines schickt sich nicht für alle"* (from his poem *Beherzigung*) – it would have been better when Kaptein followed his own suggestion to specify the 8x9 relations in just as many hypotheses, and examine the most significant relationships. Another consideration concerns whether continued research is necessary at all, since Kaptein already seems to know which ethics program component does (not) match which culture dimension. The question then is how this knowledge can be derived from his research. To give decisive answer, the questionnaire should be examined; however, this was not included in the paper. Furthermore, his research population is a curious one, as Kaptein (2009, 276) recognizes but underestimates in its effect. Apparently, one person per organization was selected, which of course is a very limited base for validated information. The question can be raised, as to what is the level of analysis, the respondents unit, the department, the entire organization? Therefore, there is the real hazard that people can be asked more than they can possibly know, not only with regard to presence of the ethics program components, but even more with regard to the ethical culture dimensions part. Generally, it is advised to include thirty research units (respondents) when conducting culture research, across levels and departments. Next, there is no information about the organizations except about from their size and their geographical location. For instance, information about the type of industry, type of competition, governmental and self-regulations is lacking, making the results hard to interpret, apart from the objection that one respondent per organization may not have a complete, reliable, and valid image of the organization. The extensions mentioned by Kaptein – environmental pressure, national culture, and negative media exposure – are not without significance, but at the same time are not the most significant parameters to investigate.
Concerning the results, some critical remarks can be made. Kaptein reports no significant relationships between feasibility, supportability, and discussability, and the scope of an ethics program. Kaptein's own explanation for feasibility may hold, to the degree that other, more profound and substantial modes of intervention are excluded from the ethics program, notably those interventions directed at the strategic and structural level of organizations. In our terms, Kaptein has excluded intervention such as (in the terms of the format used in the present study) policy development, implementation and evaluation (POD), evaluation of organizational goals and values (EGV), evaluation of organizational products and services (EPS), and organizational restructuring (ORS). Perhaps the use of these strategic and structural interventions has a greater impact upon organizational ethical culture than the elements of a more limited ethics program. However, there is another explanation not mentioned by Kaptein. Perhaps feasibility, supportability, and discussability are no ethical dimensions at all, but examples of instrumental organizational virtues that can also have a function in not-so-ethical organizations.
No extra arguments can be put forward considering the *evaluative* issue than already were mentioned before this. Considering moral climate *intervention*, Kaptein suggest a differential, culture-sensitive approach, in which only those components of ethics programs are implemented of which substantial contribution to the specific culture dimension can be expected. Another

remark is also important: that ethics program components do not contribute to certain culture dimension may not be caused by their nature, but by the quality of implementation. This means that ethics program components should not be abandoned too early. However, from an interventional point of view, the criticism put forward above has another ground. Ethics programs are too limited in their scope and should also contain the strategic and structural elements policy development, implementation and evaluation (POD), evaluation of organizational goals and values (EGV), evaluation of organizational products and services (EPS), and organizational restructuring (ORS) in order to be really effective. To arrive at less speculative and more significant findings, future research should include organizational and industry parameters, a broader scope of moral climate interventions, a picture of ethical organizational culture that consists of ethical virtues (instead of instrumental values), and should not aim at knowledge that can be generalized to all organizations, but only to comparable organizations, for instance of the same size, the same age, or from one type of industry.

In sum, a strong point of Kaptein's project is the recognition that one-size-fits-all approaches do not work, and that a more specific, culture-sensitive approach would be more fruitful, preferably on a more solid theoretical foundation.

In the next section, we will consider a broad range of alternative approaches to moral climate theory.

5.3.6 Alternative approaches to moral climate theory

The term ethical climate or similar terms are also used by authors that not did not link up with the model of Victor and Cullen, creating their models and questionnaires directly or indirectly inspired by Kohlberg, as did, among others, Schwepker and associates for sales organizations, Schulte and Keiser for several school types, and Olson and followers for hospitals, using her Hospital Ethics Climate Survey (HECS). Others introduced the term 'justice climate', which seem to reflect Kohlbergian insights from a remote distance, or elaborated the term organizational ethos in an ethical direction (Pareek). Finally, a contribution is discussed using the term stakeholder culture (Jones, Felps & Bigley, 2007) to denote ways to pay attention to stakeholder claims in moral climate.

In this section, alternative directions are discussed and summarized, though not along the lines of foundational inquiry. The initial idea of foundational research of identifying debates with opposing positions underpinned with sounds argumentation does not apply to situations in which debates are absent and in which no explicit positions are taken. However, this does not imply that foundational critique (both internal and external if legitimate) is impossible. In this section, nine alternative approaches are considered, some of which represent a strand of research contributions, while others are individual contributions.

The difference between these publications and publications discussed in the next section (tangential use of moral climate concepts) lies in both their intention and their quality. In the next section, those publications are discussed and summarized that use moral climate terms in an uncritical manner, as an auxiliary concept in research that does not aim at developing moral climate theory. In the alternative approaches section, contributing to moral climate theory is the explicit aim, from a variety of ideas and conceptualizations, some more promising, some less fruitful, as will be demonstrated in terms of the format discussed in chapter 2. Some of the

discussions are rather briefly, whereas the publications one author, Deborah Vidaver Cohen, deserve special attention because of their inherent qualities.

(1) The Report from the Woodstock Theological Center (1990)

A relatively early contribution is *Creating and Maintaining an Ethical Corporate Climate* of the Woodstock Theological Center (1990). In a seminar in business ethics, the Woodstock Theological Center brought together a group of corporate executives, academics, and religious leaders to discuss problems in the workplace today that are placing extraordinary new demands on corporative executives and managers for moral leadership. These problems include chemical dependency, race and gender discrimination, insider trading, industrial espionage, bribe-giving and bribe-taking, embezzlement, or other white-collar crime. Pre-occupation with financial success and self-indulgent permissiveness have become a treat to acting in ethically responsible ways. These troubling issues were discussed, their roots were analyzed more closely, experiences were shared, and suggestions to meet challenges were developed. Ethical leadership from the top is considered the single most important factor in creating and maintaining an ethical climate in any business.

The contribution of the Woodstock Theological Center lacks a clear conceptualization and a typology of ethical climates, though it offers a descriptive instrument. The Woodstock monograph is rooted in axiological (value ethics) theory, while spelling out eight core values and their consequences for behavior (responsibility of purpose, responsibility to constituencies, honesty, reliability, fairness, integrity, respect for the individual, respect for property). The concept of ethical climate is used in a way that is not connected with established theories of organizational climate and culture. Ethical climate is considered constantly evolving, fluid, and flexible. However, it may be doubted whether this would be confirmed empirically, since climates and cultures appear to be rather fixed and hard to change entities. An ethical climate is something an organization has or is developing into to the degree that it meets the core values. This axiological approach is both attractive and unpractical. It is highly attractive because of its mom and apple pie character, entities everybody loves and does not say no to. It is unpractical because axiological ethics does not translate these rather global values into concrete guidelines for action.

Though the monograph is not a document reporting of empirical research, it offers a large number of questions to assess the ethical qualities of business firms and develop ways to improve the organizational ethical climate. Interventions suggested include several instruments of personnel management, including selection, guidance, training, punishment and rewarding, as well as the development of codes of ethics and appointment of ethics committees. Despite its focus on ethical leadership, explicit attention to selection, socialization, and development of management is lacking. Furthermore, since a clear typology of ethical climates is lacking, a climate specific approach cannot be formulated within the perspective of the Woodstock group. In this respect, no matter how interesting and stimulating for the most part, the Woodstock report shows only a half-hearted approach, neglecting the specificity of the organization, its ethical climate, and the type of industry it is part of.

(2) Cohen's communitarian approach of moral climate theory

In a number of contributions, some of which prize winning, Cohen (1993, 1995, 1998a, 1998b) breaks new grounds concerning moral climate theory by proposing a communitarian turn and designing programs for intervention, partly as reaction to the contributions of Victor and Cullen discussed in section 5.4). Special attention is paid to these contributions because are promising from both the perspective of ethical theory and the perspective of organizational and managerial theory (including climate theory). Especially important is her focus on moral climate as mediating a multidimensional construct, much in the way moral climate is understood in de present study.

1. *Introduction*

In her first contribution, *Creating and Maintaining Ethical Work Climates: Anomie in the Workplace and Implications for Managing Change* (1993), Cohen examines how unethical behavior in the workplace occurs when management places inordinately strong emphasis on goal attainment without a corresponding emphasis on following legitimate procedures. Using Merton's theory on social structure and anomie as a foundation to discuss the issue, she identifies key factors affecting ethical climates in work organizations. Based on this analysis, Cohen proposes strategies for developing and changing aspects of organizational culture to reduce anomie, thereby catching work climates that discourage unethical practices and provide employees with mechanisms to resolve ethical conflicts in a constructive way.

In her second contribution, *Creating Ethical Work Climates: A Socioeconomic Perspective* (1995), Cohen introduces a five dimensional theory of moral/ ethical work climates, including goal emphasis, means emphasis, reward orientation, task support, and socio-emotional support. She describes how ethical climates can be treated in business firms by applying what she calls a socioeconomic - explained as communitarian - perspective to the process of organizational design. Cohen discusses moral climate in general and presents the concept of a moral climate continuum, ranging from less to more ethical. She identifies the positive moral climate as one especially conducive to ethical behavior by agents of the firm. Cohen also suggests a process for determining where a firm falls along the continuum by obtaining information about prevailing organizational norms. She analyses how management can move a firm from the negative to the positive end of the continuum. Cohen's main point is emphasizing a socioecomic management perspective providing a particularly strong foundation for establishing a positive moral climate. Finally, the author proposes a strategy for designing key organizational processes to transmit this perspective throughout the firm. As such, she adopts a non-developmental moral climate evaluation criterion when constructing a continuum in terms of less and more moral (that is, ethical).

In the third contribution, *Moral Climate in Business Firms: A Conceptual Framework for Analysis and Change* (Cohen, 1998a), Cohen introduces a new conceptual framework for studying moral climate in business firms, offering an alternative to other theoretical models currently in the literature. This framework integrates recent advances in organizational climate theory into a new conceptualization of the moral climate construct that explains how moral climates evolve in organizations, and suggests strategies for moral climate change. More explicitly than in her previous contributions, Cohen recognizes the importance of Kohlberg's work on moral

atmosphere. While adopting a perceptions perspective on moral climate, moral atmosphere is defined briefly as "perceived norms for moral reasoning and behavior within a given social setting". In particular, the Just Community Approach – in which the impact of policies and procedures is emphasized to create a positive moral atmosphere – Cohen considers a significant contribution to the development of the moral climate concept in organizational literature. Despite this recognition of its importance, Cohen does not use the extensive theoretical and empirical framework of Kohlberg and associates for the construction of her own moral climate theory. Instead, she identifies important themes in moral climate theory: classification typologies, antecedents of moral climate, and proposed strategies for moral climate transformation, while emphasizing that creating a positive moral climate in the firm is the key to responsible business practice.

- *Conceptual and typological issues*

Cohen does not confine herself to one term for moral climate. She uses both the term ethical (work) climate and moral climate, for reasons explained below. Ethical climate is defined as "the pervasive moral atmosphere of a social system, characterized by shared perceptions of right and wrong, as well as common assumptions about how moral concerns should be addressed". This definition favors the perceptions approach of climate. Since her definition is not unlike many definitions of organizational culture, relations are specified (1993, 344):

> "Ethical climate in organizations, as a product of organizational culture refers to the way in which an institution typically handles issues such as responsibility, accountability, communication, regulation, equity, trust, and the welfare of constituents".

To enrich the concept, Cohen (1993, 356) distinguishes formal and informal dimensions of organizational culture (borrowed from Treviño) – leadership, structure (including authority and accountability structures), policies (including codes), incentive systems (punishment and reward), socialization, decision-making, implicit behavioral norms, role models, rituals, anecdotes, organizational language – as elements leading to ethical climate. Ethical climate then can be described in terms of management values, concepts of right and wrong, organizational responsibility, relations with constituents, interpersonal relations, legal compliance, and attention to ethics. Especially, *leadership* is considered as an important moderating factor, since they communicate their values and standards most directly through their actions and through how they direct their attention, respond to problems, and formulate organizational strategies. As an auxiliary theory, Cohen uses Merton's theory of social structure and anomie, emphasizing the discrepancy between means and ends in social systems as producing anomie, defined as normlessness and social disequilibrium, with alienation, powerlessness, unethical behavior, and moral regression as possible effects (1993, 345, 346). In fact, according to Cohen, the very goal-seeking nature of corporations makes them inherently criminogenic. In this sense, ethical climate can primarily be considered as an intervening variable *mediating* between structural and cultural properties of a social system as causes and psychological experiences as effects. Cohen offers no explicit typology of ethical work climates, but favors an implicit continuum from a less to a more moral (ethical) organization.

In her 1995 contribution, Cohen devotes considerable space to define key notions. Moral climate

is defined as shared perceptions of prevailing organizational norms established for addressing issues with a moral component. These issues include identifying moral problems, choosing criteria for resolving moral conflicts, and evaluating the moral correctness of outcomes to ensure from organizational decisions (Cohen, 1995, 318). In an important note, Cohen (1995, 338) reveals her preference for the term moral climate, a terminological distinction worth considering:

> "A number of authors (e.g., Victor and Cullen, 1988) use the term ethical climate to describe this construct. However, to maintain consistency with the original foundations of the concept, (moral atmosphere, as introduced by Kohlberg, 1984), I prefer to use the term moral climate descriptively and the term ethical climate when a normative evaluation is implied."

Consequently, Cohen (1995, 319) defines ethical behavior as

> "involving intentionally responsible action, honoring implicit and explicit social contracts, and seeking to prevent, avoid or rectify harm. Specifically in the organizational context, this conduct also includes promoting long-term goodwill within and across group boundaries and respecting the needs of others both within and outside the firm".

This definition reflects several perspectives on morality including a deontological emphasis on intentionality and respect, a teleological concern for avoiding harmful consequences and promoting the well-being of individuals and the collective, a contractarian point of view, embodied in the notion of attention to honorable transactions, and a stakeholder approach of organizational responsibility concerning multiple constituents.

Cohen stresses the importance of leadership behavior. Leaders are role models for both ethical and unethical behavior while guiding three types of organizational processes - technical, political, and cultural - as dynamical antecedents of moral climate (based on Tichy, 1982). Political processes involve power distribution, decision-making, and strategy formulation. Technical processes include all activities pertaining to production, whereas cultural processes involve the creation of both formal and informal socialization to establish behavioral norms (through anecdotes, codes of conduct, organizational vocabulary, rituals).

As in her 1993 publication, Cohen does not propose a moral climate typology but repeats her proposal to think of moral climate as a continuum. At the one end is the positive moral climate, or ethical climate, in which organizational norms always facilitate agents that merit the trust of organizational stakeholders. At the other end is the negative moral climate, or unethical climate, which, conversely, is never conducive to such behavior. Since these are extremes, the moral climate of most business firms fall somewhere in between. To locate a firm's moral climate along the continuum proposed, Cohen proposes to use five dimensions borrowed from work climate research (Kopelman, Brief & Guzzo, 1990) to assess the moral climate, including:

- goal emphasis: prevailing norms for selecting organizational norms
- means emphasis: prevailing norms concerning how organizational goals should be attained
- reward orientation: prevailing norms regarding how performance is rewarded
- task support: prevailing norms regarding how resources are allocated to perform tasks
- socioemotional support: prevailing norms regarding the type of relationships expected in the firm.

As an in-between thought, one might ask whether this emphasis on norms goes together with a perceptions approach of moral climate, assuming that norms have an ontological status beyond perceptions while relating to concrete organizational practices and procedures, an issue addressed in chapter 3 in more detail.

In her 1998 contribution, Cohen defines 'moral climate' broadly as prevailing employee perceptions of organizational signals regarding norms for making decisions with a moral component, and examines each element of the definition separately, for maximum clarity. Norms for making decisions with a moral component are defined as the way moral decisions are expected to be handled in the firm. Organizational signals regarding these norms are the specific organizational practices and procedures that communicate managerial expectations about moral decision-making to employees. Prevailing employee perceptions of these signals refer to the general agreements among members of the firm about what organizational practices and procedures actually mean in terms of expected behavior.

Cohen continues to identify types of organizational decisions that include a moral component by applying central precepts in philosophical ethics from deontological theory (confusingly explained in terms of intentions, HB), consequentialist theory, contractarian theory, distributive justice theory (in fact also deontology-based, HB) and procedural justice theory. From this typology of ethical theories, Cohen extracts a more precise definition of moral climate as prevailing employee perceptions of organizational signals about norms for (a) establishing intentions, (b)considering consequences, (c) observing contracts, (d) determining distribution, and (e) implementing procedures.

Cohen recognizes the possibility of multiple climates in organizations because of variety of organizational stimuli within and across organizational departments and subsystems, more in particular strategic factors and management behavior concerning goal setting. According to Cohen, goal setting influences organizational climate in a fivefold way: (a) which goals are typically selected; (b) how goals are usually reached, (c) how goal attainment is typically rewarded, and (d) what kind of goal-seeking behavior is generally supported by the organizational task-structure or (e) socio-emotional context. In addition, based on distinctions out forward by Tichy (1982), Cohen refers again to the political, technical, and cultural processes in the organization: strategy formulation, power and resources distribution, legal compliance, observance of codes (political), product quality, safe working conditions (technical), formal and informal communication about accountability, role models, management training, new employee orientation, vocabulary (cultural).

Starting with a perceptions approach, she considers moral climate as an intervening variable - shared perceptions of managerial expectations for certain behaviors, based on common interpretation of organizational signals (stimulus variables) - providing a fertile psychological environment in which performance of the expected behavior is likely to occur.

Cohen is one of the contributors to moral climate theory explicitly referring to *climate theory*. From this perspective, she advocates the position that that conceptualizing climate requires the specification of behavioral reference criteria pertains to the notion that a unique climate exists for each organizational activity, like a climate for service, for safety compliance, a climate for innovation (and a climate for learning, HB). Cohen's considers the climate construct meaningless when such referents are absent, since climates can only be identified by specifying behavioral criteria to which they can be linked. The notion of conceptualizing organizational climates in terms of behavioral references is essential to Cohen's moral climate theory. Here, the umbrella behavior referent is the activity of "making decisions with a moral component". Embedded within this referent are the five behavioral criteria compromising the moral climate construct just

mentioned: (a) establishing intentions, (b) considering consequences, (c) observing contracts, (d) determining distribution, and (e) implementing procedures. Prevailing employee perceptions of organizational signals regarding norms for each of these activities must be assessed to determine the climate for moral decision-making in an organization. In sum, climate is the shared belief that the behavior in question is expected by management, based on prevailing perceptions of organizational signals regarding norms for that behavior in the firm.

Of interest is the conceptual relationship between Cohen's conceptualizations and Kohlbergian theories concerning cognitive moral development and moral atmosphere. In her first contribution, Cohen's relationship to Kohlberg's theory of the development of moral reasoning structures and the moral climate theory based on it is rather superficial. No explicit references to the Kohlbergian paradigm and moral atmosphere theory were made, though the Kohlbergian term "moral atmosphere" appears in Cohen's definition of ethical climate. Furthermore, though Cohen does not associate anomie with Kohlberg's theory, in fact she quite accurately describes a pre-conventional moral atmosphere in which stage two modes of thinking are dominant. In her 1995 contribution, Cohen briefly refers to Kohlberg's *The Psychology of Moral Development: Moral Stages and the Life Cycle* (1984), as well as to Higgins' paper *The Just Community Approach to Moral Education* (1991), and to *Lawrence Kohlberg's Approach to Moral Education* (Power, Higgins, and Kohlberg, 1989). Moreover, Cohen recognizes the central notion that moral decisions are strongly affected by social context is highly tributary to research within the Kohlbergian paradigm, as well as the term moral climate (Cohen, 1995, 318, 338). Elsewhere, Cohen (1995, 329-330) refers to Kohlberg's Just Community Approach as a notable example of a practice where democratic decision making in school and prison setting was considered a pivotal factor in reducing cheating, stealing, and other socially destructive acts. Cohen (1995, 333) also mentions again the merits of Kohlberg's Just Community Approach with regard to moral climate improvement while showing that formally institutionalizing norms of community responsibility, attention to collective interests, fairness, and mutual consideration substantially reduced illegal activity in the institutions studied and produced significantly improvement in group members' cognitive moral reasoning. However, Cohen does not use the extensive theoretical and empirical framework of Kohlberg and associates for the construction of her own moral climate theory. Finally, in her 1998 contribution, Cohen (1998, 1212) more explicitly recognizes the importance of Kohlberg's work on moral atmosphere, especially the Just Community Approach, as an important foundation of her own moral climate construct.

- *Empirical issues*

Though her contributions are mainly conceptual, Cohen (1995) proposes an instrument an instrument to assess an organization's moral climate, based on the five dimensions represented above (goal emphasis, means emphasis, reward orientation, task support, and socio-emotional support). By obtaining information from employees at all levels of the firm, several measures can be taken concerning the degree to which

(1) fulfilling social contracts is a prevailing organizational goal
(2) potentially harmful consequences to others are considered in decision making and problem solving
(3) intentionally responsible action is rewarded in the firm

(4) resources are allocated to projects that promote long-term goodwill
(5) norms of interpersonal respect prevail in both intra-firm and boundary-spanning relationships.

These degrees are reformulated as statements to be measured in a 5-point scale: (1) never, (2) to a small degree, (3) half the time, (4) to a great degree, and (5) always.:

1. Goal emphasis: Fulfilling social contracts is a prevailing organizational goal.
2. Means emphasis: Potentially harmful consequences to others are considered in organizational decision-making and problem solving.
3. Reward orientation: Intentionally responsible action is rewarded in the firm.
4. Task support: Resources are allocated for projects that promote long-term goodwill within and across group boundaries.
5. Socio-emotional support: Relationships with others within and outside the firm are characterized by interpersonal respect.

The higher the degree on the dimensions, the more positive and thus ethical the moral climate is. A firm's overall position along the moral climate continuum can be identified by aggregating and averaging the full set of responses. By calculating the mean rating for each dimension and for each stakeholder group, the preferable intervention to move the organization toward the positive direction can be chosen adequately (Cohen, 1995, 320-321).

In her 1998 contribution, Cohen uses the dimensions mentioned above in a slightly different meaning and order while linking them with ethical theories:

1. Goal emphasis (intentions): Meeting social responsibilities is intended as a primary organizational (sub-unit) goal.
2. Means emphasis (consequences): It is important to prevent, avoid, or rectify harm in the process of attaining organizational (sub-unit) goals.
3. Socio-emotional support (contracts): People in this organization (sub-unit) are expected to honor all agreements and show respect for each other.
4. Task support (distribution): People in this organization (sub-unit) are provided with the resources they need to accomplish assigned tasks.
5. Reward orientation (procedures): Rewards, punishments and duties in this organization (sub-unit) are determined in a fair way.

Measuring moral climate in this way has a threefold impact:

(1) Each dimension can be individually operationalized by statement about political, technical, and cultural processes in the organization related to that dimension.
(2) Each dimension can be measured for various units of the organization or for the organization as a whole.
(3) To assess moral climate along a continuum, measurement could involve responding to statements in each category according to a five point Likert scale (never - to a small degree - half the time - to a great degree - always) (3).

Apart from questionnaire techniques, Cohen suggests studying company documents, using ethnographic observation methods, and standard interviews. While the level of analysis is the organization, the unit of analysis may be as small as a single workgroup, or as large as an industry. According to Cohen, moral climate comparisons between and across various levels in the firm, between firms in similar or different industries, and across geographical or cultural

groups could yield some particularly interesting information about organizational conflicts and consistencies.

- *Evaluative issues*

Despite her connection to the Kohlbergian paradigm, Cohen does not use a moral developmental criterion for moral climate evaluation. Instead, she focuses a moral climate continuum using terms such as more or less ethical. In her 1993 contribution, the criterion for evaluation is the degree of reduction of anomie and as its consequence, reduction of unethical behavior (1993, 349).

In her 1995 contribution, elaborates a communitarian justification for business ethics in general and for creating a positive moral, or ethical climate in particular. This socioeconomic management perspective (borrowed from Etzioni, 1988) means applying communitarian principles to the process of organizational design, and is considered particularly appropriate to this task. This socioecomic paradigm applies a deontological concept of human nature to explain decision-making processes in economic institutions, as opposed to the neoclassical economic model that assumes self-interest and utility maximization to be the driving forces behind business decisions. Apart from a "more moral" perspective, Cohen seems to embrace a pragmatic contingency criterion, when she posits that the socioeconomic perspective implies that the successful survival of an economic organization is contingent upon top management's ability to recognize the position of the organization within the interconnected network of social institutions, and establish conditions within the organization that facilitate responsible relationships with these institutions. In fact, this contingency move rests upon new tasks and assignment for organizations, put briefly, to be a good citizen. This communitarian position seeks to establish a common good that is shared by and transcends each individual and promotes commitment to social institutions without sacrificing respect for diversity, uniqueness or individual freedom (1995, 322). Though Cohen (1995, 337, 338) recognizes that in business, resistance to a communitarian perspective will potentially be greater than in other settings, she considers it an important alternative for the traditional individualistic orientation from the perspective of the trend toward economic globalization.

The basic ideas underlying communitarian governance can be consolidated into three key principles, including balance, mutuality, and moral commitment:

1. Balance: balancing rights and responsibilities, balancing the needs and interests of the individual with the needs and interests of the community, and balancing individual responsibility to community with community responsibility to the individual.
2. Mutuality: directing attention toward shared concerns, connecting individual interests with community interests, encouraging reciprocity, and nurturing social ties.
3. Moral commitment: accepting the necessity of duty, being accountable for a decision's long-term consequences, and acting responsibility toward others for the intrinsic value of the act, not from fear of punishment.

According to Cohen (1995, 323), these underlying principles of communitarian governance are critical in developing social integration, understood as the enduring bond with other individuals and sense of embeddedness within the system as a whole that maintains social equilibrium. In this vision, social integration, identified as a powerful psychological constraint - an internally

derived social control - against unethical, antisocial, and criminal behavior, on its turn includes three key dimensions: (1) embeddedness: feeling intrinsically connected to the social system as a whole, (2) bonding: significant emotional attachments to others, and (3) moral security: confidence in the efficacy of system laws and moral standards to govern social conduct. This criminologist point of view learns that if any of the three dimensions were to weaken, the probability of antisocial behavior would be substantially increased, while, conversely, strengthening social integration reduces the likelihood that an individual will engage in unethical of criminal conduct (though unethical and criminal should not be considered synonymous to each other, HB). From this perspective, social integration is central to ethical conduct in the workplace:

- *Embeddedness* reduces feelings of social estrangement and motivates the individual to actively contribute to the functioning of the system, thus encouraging long-term goodwill within and across group boundaries.
- *Bonding* weakens the inclination to either cause or ignore harm to others and facilitates respect for the needs of others within and outside the firm.
- *Moral security*, reducing motivation to violate legal or moral standards, is critical in fostering intentionally action and fulfilling social contracts.

Essential to Cohen's approach of moral climate (1995, 324-325) is the notion borrowed from *stakeholder theory* that organizational agents must behave in a trustworthy fashion toward both external and internal stakeholders. Social integration internal to the firm is insufficient to establish an ethical work climate, since an internal integrated organization can still be essentially disconnected from the interests of society as a whole. Thus, a central assumption of Cohen's argument is that a positive moral climate will only exist in firms where managerial practices enable an extension of the organizational community to incorporate stakeholders outside the firm. The stakeholder concept provides precisely the descriptive and evaluative framework required to unify internal and external social integration.

- *Interventional issues*

Because Cohen recognizes the hard-to-change character of the informal dimensions of organizations because of severe constraints, she seems to adopt a structuralist perspective on moral climate intervention. More precisely, according to Cohen, moral climate as an intermediate factor cannot be deliberately transformed. Rather, it changes in response to the deliberate transformation of political, technical, and cultural processes in the firm, if possible influenced by management attitudes and behavior. Cohen sees an important moderating role for *leadership*:

> "Leaders can convey the importance of ethical behavior through their own example and by actively modifying institutional structure, policies, incentive systems, and decision-making processes to reflect the necessity of following legitimate procedures to reach organizational goals" (Cohen, 1993, 349).

Cohen (1993, 352-353) recognizes the possibility of a cynical, or at best, uncertain, attitude of managers regarding the role of ethics in organizations, caused by a lack understanding of the interplay between ethical issues and other facets of organizational life and a short-term view toward resolving ethical issues. She stresses that management may also actually fear that improving the ethical conduct of employees could potentially reduce desirable competitive

behaviors that enable the organization to meet its economic goals. Management's reluctance to invest in comprehensive strategies for change in more ethical directions may also be caused by the absence of tested models for effective interventions to change ethical work climates. Cohen favors a multi-system intervention in order to avoid single interventions without further impact. Apart from an emphasis on (top) management values and practices, altering aspects of *structure* distributing authority equitably, at various levels of the hierarchy, to give employees greater control in determining the means by which organizational goals can be met, through *participation in decision-making* processes. Accountability for the consequences of organizational decisions should move away from a compartmentalized structure so that employees are required to assume more extensive responsibility for the outcomes of their decisions. In addition, institutional *policies*, codes of conduct and an ethics committee should offer guidelines and possibilities for discussing ethical issues. Furthermore, *incentive systems* should move away from an exclusive focus on goal-attainment toward rewarding ethical behavior. *Socialization* is considered an important vehicle in creating and maintaining ethical climate, for instance through ethics training and other organizational ethics programs, at best tailored specifically to the unique ethical concerns of the organization (though not in a Kohlbergian developmental fashion, HB). Cohen (1993, 351) suggests that modifications of the formal dimensions of *organizational culture* can be made easier than modifications of the *informal organizational systems*. Because of its adaptive purposes being more resistant to change, modification of the informal organizational systems is expected to be realized only over the long term. As conscious correction of informal dimensions of organizational culture is difficult, changes will occur as a response to modifications in the formal areas in the organization. Furthermore, Cohen continues, role models, rituals, anecdotes, and organizational language emerge over time, making new examples along these dimensions extremely slow to materialize in formal structures (Cohen, 1993, 351).
Concerning intervention Cohen (1993, 353-354) suggests carrying out an ethical audit - if possible by objective and specialized multidisciplinary external ethical consultants - to examine the various aspects of the organizational culture in terms of their perceived impact on ethical climate and ethical behavior.

In her second, more contractarian oriented contribution, Cohen (1995) suggests that moving an organization toward the positive end of the moral climate continuum must be guided by a managerial philosophy that can both reinforce the importance of ethical business practice, and be transmitted effectively through organizational policies and procedures, that is, through affecting political, technical, and cultural processes. Communitarian principles can be expressed through *political* processes in three primary ways: through equitable power distribution (principle of balance), democratic decision-making (principles of balance and mutuality) and strategic integration of multiple stakeholder interests (principles of balance, mutuality, and moral commitment). Communitarian principles can be expressed through *technical* processes, by adopting a socioeconomic production focus and establishing equilibrium between serving the financial interests of the firm and meeting external demands for the firm to perform certain social functions (like stable employment, reliable customer service, company-sponsored childcare, health programs for employees and others in the community). Furthermore, tasks and relationships can be structured in ways reflecting communitarian principles, particularly in terms

of how managers handle reporting relationships and responsibility for task outcomes, through an integrated structure reflecting the principle of mutuality. To establish a positive moral climate, formal cultural processes should be designed to systematically reinforce communitarian key principle of moral commitment. The implementation of these goals can both promote inclusive social integration and encourage a positive moral climate. At this point, Cohen (1995, 333) refers to the Just Community approach of Kohlberg and associates showing that formally institutionalizing norms of community responsibility, attention to collective interests, fairness, and mutual consideration substantially reduced illegal activity in the institutions studied and produced significantly improvement in group members' cognitive moral reasoning. Although this Just Community approach was not designed to conduct in business settings, Cohen beliefs that similar practices have led to positive changes in employees' approach to dealing with moral issues (Cohen, 1995, 333).

The question of course, is how these goals can be implemented. When compared to the first contribution, Cohen seems to favor a structuralist approach, by putting in interventions such as POD policy development, implementation and evaluation (POD), evaluation of organizational goals and values (EGV), evaluation of organizational products and services (EPS), and organizational restructuring (ORS). Influencing cultural process can take place by employing intervention strategies including instituting regular forums to discuss shared workplace concerns (FEI; IOC), exploring methods for responsibly resolving moral issues, official procedures (for instance, open-door policies), firmly and publicly enforcing conduct codes or mission statements (COE), and instituting an ombudsman or an ethics committee (EAR). Again, at this point, Cohen focuses on the role of leadership in maintaining consistency between the formal manifestations of communitarian principles and informal behavioral norms like managerial actions, social rituals, historical anecdotes, and organizational language, or put briefly, practice what they preach.

In her third contribution, Cohen pays no special attention to moral climate intervention.

- *Concluding comments*

Special attention was paid to Cohen's contributions because of their special merits, most of all liking ethical theory and organization theory in a practically fruitful way. The contractarian approach provides her moral climate theory with a defendable ethical foundation, while her approach of organizational processes paves the way for intervention programs, most of them from a structuralistic perspective. However, critical remarks can be made at this point. These remarks show inherent difficulties in representation because of the development of the thinking of Cohen (critical remarks made with regard to her first contribution may not apply to later contributions). When necessary for optimal transparence, parts of contributions are evaluated separately. General comments are loosely arranged into conceptual/typological, empirical, evaluative and interventional issues (the full text of the criticism of Cohen's contribution can found on the CD-ROM).

- Cohen's 1998 contribution contains the more sophisticated definition of moral climate aspects. Considering the climate part of it, it becomes clear that Cohen focuses on *employee perceptions* of organizational phenomena concerning moral issues. In line with the argument

concerning the perceptual approach developed in chapter 3, it can be questioned, whether employees are capable of giving a valid account of their organization's moral climate. Keeping Kohlberg's theory of moral development in mind, the employee's stage of moral reasoning imposes some serious limits upon his or her way of looking at organizations and the way moral issues are recognized and dealt with and may overlook important aspects. Doing so, Cohen apparently takes the emic position in the *emic-etic debate* originating from cultural anthropology, as was discussed in chapter 2 of the present study. Though Cohen does not report research findings, it is to be expected that these findings based upon on the emic view would provide us with data that are hard to generalize or to compare across organizations because of a lack of conceptual homogeneity. The concepts borrowed from general ethical theories (deontology, teleology, contract theory, justice theory) do not affect this conclusion since these concepts borrowed are only used in such a very general way (intentions, effects, contracts, distribution and procedures) that they reflect universals that occur in every social system instead of providing a thorough etic theoretical framework including a distinct typology.

- Earlier, in her 1995 contribution, Cohen defined moral climate in terms of a continuum with an ethical climate and an unethical behavior as its extremes. This moral climate definition has the aforementioned fourfold foundation while integrating deontological, teleological, contractarian perspectives with stakeholder framework as a unifying principle. However, since these foundations (at least the deontological and the teleological perspective) represent rather divergent forms of moral position taking, it can seriously be questioned how this fourfold foundation can lead to a one-dimensional moral climate continuum with the suggestion of rather discrete distinctions between more or less ethical climates. Moral actions can be considered ethical from a deontological perspective and unethical from a teleological perspective, and vice versa exactly because these perspective provide us with different criteria for evaluating moral actions and even with different conceptions of morality. Cohen's notion of contractarian ethics remains rather superficial in its unelaborated form. When focusing on Cohen's communitarian proposals, it becomes clear that she refers to a very general conceptualization of communitarianism. In her first article, she refers, as it seems, only casually to communitarian notions ("implicit or explicit social contracts", 1993, 343-344). In later contributions, her communitarian viewpoints lie at the heart of her argument. Cohen presents her notion of communitarianism in terms of a socioeconomic paradigm originating from a deontological concept of human nature. The first key principle underlying communitarian governance is "balance", balancing rights and responsibilities, balancing the needs and interests of the individual with the needs and interests of the community, and balancing the individual responsibility to community with community responsibility to the individual. However, in its application, this key principle is rather teleological than deontological by nature. Moreover, it is an obscure key principle: what exactly does "balance" mean, how can "balance" be established, or even measured. This is an outcome-directed way of reasoning with all the difficulties that are inherent to teleological ethical reasoning, as was indicated in chapter 4 of the present study. For instance, within a stakeholder framework, there are more parties whose stakes could or should be balanced one

way or the other and it is far from clear how these are recognized and prioritized. The more fundamental question is here, whether balance is a useful key principle at all in a deontological way of conceiving the individual-society relationship within the context of ethical decision-making in business and organizing.

When applying these communitarian principles to business ethics theory and practice, Cohen discusses the alleged tensions between internal social integration and external social integration. The solution to this problem the author finds in stakeholder theory. However, it is not convincing how stakeholder theory is able to reconcile opposing interests. Is it through consensus seeking in the way proposed by Habermas, or by means of compromises nobody is really satisfied with? Cohen's solution seems rather naive while neglecting immense market constraints and other environmental influences organizations may experience while doing business. In fact, she does little more than emphasizing that organizations must reflect upon their position in society and try to strive for some balance between divergent claims of several stakeholders and stakeholder types. The contents of strategies and policies based on self-imposed duties towards these stakeholders remain unspecified. Since several conceptualizations of communitarianism are common these days, her considerations could have gained profundity by taking a more critical stance.

Communitarianists all promote some conception of the common good to be realized in order to accomplish or maintain some form of social cohesion and social harmony based upon common interests and common responsibilities and duties. Thus, every community - albeit a small community or society at large - presupposes a common and shared conception of the good life, to be promoted and guarded by the state. Even liberals promote, according to communitarianists, some conception of the common good, a conception that circles around freedom, autonomy and respect for diversity, with a state guaranteeing these rights and remaining neutral otherwise because all other conceptions of the good are disputed because of historical contingencies (as liberals will call it). Apparently, Cohen does take an implicit stance in the liberalism-communitarianism debate or even debates - De Jong (1998) discusses four of these debates - without clarifying her position explicitly. This position does not make the distinction between internal and external social cohesion that is so important for business ethics - "internal" referring to the organization and "external" to society at large. Cohen tries to make us believe that a high level of internal social cohesion will lead that same high level of external social cohesion, but exactly this line of thought is controversial since organizations do have their own interests that can be opposing to the interests of all stakeholders and society. Within communitarianism, this controversy has crystallized out into two forms of communitarianism (as discussed in chapter 4 in more detail): *community-communitarianism* (stressing the importance of small, homogenous communities with each their own concept of the common good) and *society-communitarianism* (stressing the necessity of a common good for society at large). These distinctions can be interpreted in yet another way when relating them to Kohlbergian theory. In fact, these different conceptualizations give different answers as to what exactly Stage 4 is like or has to be like. At the same time it has to be questioned whether the position of community-communitarians is really Stage 4 at all or something between group level and societal level as was stated while discussing Kohlberg's Just Communities in terms of the in-between stage 3/4. When opposing these

communitarian variations to liberal conceptions of society, even more positions concerning Stage 4 can be distinguished. These positions lie at the heart of modern debates in political philosophy and legal theory, every position having its specific conceptualization of the relation between the state and its citizens, and relations between citizens, including organizations as corporate citizens with their social responsibilities and duties.

- Cohen's approach reveals an apparent bias concerning the scope of ethics while focusing on what I would like to call 'negative ethics' at the neglect of 'positive ethics'. Cohen associates ethical and unethical behavior with preventing or causing harm to a broad range of constituents or stakeholders while ignoring those issues that are not about negative effects of choices and behavior but concern choices between two or more goods, such as in distribution issues ('who gets what on what grounds?"). Perhaps her initial point of departure, antisocial criminal and illegal behavior in organizations caused by anomie, is due to this bias. In her 1995 contribution, Cohen also shows the tendency to focus on unethical conduct, while sometimes equating unethical with criminal and confusing legal and moral standards, possibly due to criminologist influences.

  Apart from a negative orientation on ethics, in her first contribution, Cohen uses a rather shallow concept of ethical behavior. For instance, she stresses the undesirability of justifying means by the ends, and pleas for legitimate procedures to reach organizational goals. These goals themselves are not scrutinized, but, as we all know, these goals can be very divergent and need not be moral by nature at all (for instance, gaining profit, introducing new products, or services). Though Cohen also mentions non-economic goals and stresses the importance of building and maintaining long-term relations with constituents, she seems to adopt the a-morality of technological and economical effectiveness of organizations when only stressing the necessity of legitimate means to reach these goals.
- In general, Cohen's scope seems to be limited to profit-organizations, though she sometimes mentions not-for-profit organizations, giving rise to the question whether her theory indeed does apply to not-for-profit organizations, and if it does, in what way. More in general, Cohen seems to adopt a rather undifferentiated image of organizations, when ignoring institutional differences between types of industry. However, a strong point in Cohen's approach is describing ethical climate in terms of organizational features, more in particular in terms of formal and informal aspects of organizational culture. Especially, when these factors prove to have explanatory power, moral climate theory can be enriched to a great degree.

  The five dimensions (goal emphasis, means emphasis, reward orientation, task support, and socio-emotional support) used for identifying an organization's position along the moral climate continuum appear to be rather vague in their extent, weak in their formulation, and chosen arbitrarily. Furthermore, their status is ambiguous. Are these dimensions meant to be indicators for a moral climate in its more or less ethical manifestations? Are these dimensions defining characteristics of moral climates, their correlates, their effects, or their preconditions? To be conclusive, the relation of moral climate and these five dimensions remains highly unspecified. This criticism also applies also to Cohen's 1998 contribution in which she considers moral climate as an intervening variable interacting between political,

technical, and cultural processes and the aforementioned individual moral decision-making outcomes, without exactly describing why and how this intervening variable exactly intervenes. Cohen reveals very little about moral climate dynamics, leaving us in the darkness as to how moral climate is shaped through these processes, and shapes individual moral decision-making on its turn.

The question remains, which of these factors are relevant in terms of explanatory power, and are accessible for intervention, insofar as they seem to be chosen arbitrarily. From this perspective, there are some missed opportunities, for instance concerning the effects of the size of the organization, and concerning the effects of production technology and its structural pendants in organizational structuring and task setting on moral climate (assembly lines versus autonomous task groups). Furthermore, ownership conditions, conditions of competition, and governmental regulations are not mentioned, whereas other features seem to be prone to misunderstanding (for instance, what Cohen describes as socioeconomic production focus is not so much a structural feature of organizations but rather a matter of strategy choice).

- Cohen's suboptimal use of Kohlbergian theory meets the eye. Her approach seems to evolve from Kohlberg's theory, however, without adopting his stage theory and his moral atmosphere concept. For instance, the way Cohen describes anomie in organizations in her first contribution, hints at pre-conventional moral atmospheres, a moral climate type in which Stage 1 or Stage 2 modes of moral reasoning and acting are dominant. Kohlbergian paradigm might have been of great help to picture this subject appropriately and to offer developmental criteria of evaluation as well to justify steps to reduce anomie.
- Cohen places managers - their values as well as the way they are pivotal role models - in the heart of her analysis. Managerial expectations about how employees in different groups should address moral concerns constitute an important input factor, while employees' susceptibility to external influences (to be explained in terms of strength and weakness of will) seems to be an output factor. If this were so, changing managerial expectations and communicating them to employees would possibly create a strong impulse for moral climate change (improvement, development). However, this suggestion is not only far from realistic (as numerous programs of organizational development show). It also does not tell us where these expectations (based on values) do come from. Are values of managers brought in as resulting from their earlier education, or are these values generated as a response to environmental demands, opportunities, and constraints (such as making profits under conditions of fierce competition)? From a contingency perspective, managers can experience constraints to espouse certain values that are not originally theirs, perhaps leaving not much room for alternative expectations at the expense of organizational effectiveness, and eventually leading to decline and fall. By implication, Cohen's point has in fact little explanatory force as long as it is not specified where these values of managers do come from.
- Moral climate cannot be deliberately transformed (Cohen, 1998). Nevertheless, she considers moral climate intervention. In her first contribution (1993), the proposed moral climate intervention strategies are quite superficial and state the obvious. Of course, managers

setting a morally acceptable example for others or organizational restructuring are pathways to reduce anomie, but unfortunately, these strategies remain highly unspecified: how the kind of restructuring takes place and how managers can be tempted to be a proper example remains unspecified.) The intervention theory described in her 1995 contribution also reflects the 'one size fits all' character of non-contingency approaches. Moreover, her suggestions for interventions are vague (proposition 5: "...influence...to some degree"), restricted (proposition 6: "...organizational decisions that affect them"), naive (proposition 7: "...integrate the concerns of multiple stakeholders..."), and proposition 8: ("...firms that perform the dual function of creating wealth and contributing non-economic benefits to society"), erratic (proposition 9: "A positive moral climate will ensue in firms where tasks are highly coordinated and production requires multiple interdependencies".), and Machiavellian and hence cynical (the morally extrinsic tips for managers to make the firm receptive to the communitarian perspective, Cohen, 1995, 337).

(3) The alternative view on ethical climate dimensions of Babin, Boles and Robin (2000)

An example of a less fruitful approach is the alternative view on ethical climate dimensions as proposed by Babin, Boles, and Robin (2000). In its essence, this contribution proposes a concise, non-scenario-based, marketing-oriented, ethical climate measure that is unique from previous attempts in its scope, intended purpose (marketing employees) and validation procedures. The assumed usefulness of the marketing ethical climate construct exists in both developing theory and in providing advice for marketing practice, for instance, developing ethical climate benchmarks against which marketing firms could compare their own climates and potentially make appropriate adjustments.

- *Conceptual and typological issues*

The authors consider ethical climate in a *evaluative* meaning as a part of the employee's psychological climate as an individual-level phenomenon, that is, they use a perceptual stance with regard to climate, as distinguished from, organizational climate. According to the authors, a marketing employee's ethical work climate is distinguished from other climate elements in that it represents those workplace appraisals that have ethical content. The appraisals may result because employees see themselves faced with moral dilemmas involving an explicit or implicit trust, from the observation of others' morally questionable actions, from perceptions of organizational priorities, of from general observation of behaviors and treatment of customers and other employees. The ethical climate is represented by salient perceptions affecting the perceived rightness or wrongness present in a marketing environment, and thus is important to the field of marketing ethics. Cognitively, these perceptions may overlap with important evaluative ethical standards including egoism or self-interest, justice or fairness, promise or rule keeping, relativism and responsibility. As an independent variable, ethical climate should help to explain other, dependent variables, including role-stress (negatively related), job satisfaction, and organizational commitment (both positively related). A positive work climate is expected to manifest a consistency in firm and employee goals and values, and thus, a greater identification between an organization and an employee. There is no explicit typology, despite the evaluative use of the term ethical climate in several meanings allowing a distinction in ethical non-ethical climates. However, exactly confusing is this use of the term ethical climate, not only concerning

not only the ontological objections to a perceptions approach (the climate part), but also its evaluative use (the ethics part). Apart from the evaluative use, on other places in the paper, the term ethical climate is used in a more general way, for instance, when the authors mention an undesirable ethical climate (2000, 347), inimical ethical climate (2000, 348) or a positive ethical climate (2000, 348, 354). Conflating these meanings may lead to confusion about the exact ontological status of the concept: descriptive or evaluative, apart from the question what these perceptions exactly are perceptions of, leaving us with a cloudy concept. By implication, it is not very clear what an individualistically oriented ethical climate construct tells us about phenomena on the organizational level. Furthermore, the authors do not take a developmental stance in a Kohlbergian sense when explaining individual climate measures (despite Robin being familiar with this body of knowledge, Reidenbach & Robin, 1991; 1995) nor give a clear account of what demarcates "ethical" from "non-ethical".

- *Empirical issues*

The authors adopt a multidimensional scope using the individual as the unit of analysis. A scenario-based approach (used by, for instance Kohlberg) is rejected in favor of an approach addressing specifically ethical-climate indicators relevant to boundary-spanning marketing employees. It is not quite clear why exactly the authors reject scenario-dependent methods, since these methods are in fact highly validated. In their approach, sixteen items were found reliable and were clustered into four dimensions:

Table 5.3.32 Dimensions of moral climate according to Babin, Boles, and Robin (2000)

A. Trust/responsibility
1. All employees here are held accountable for their actions.
2. Employees here act first to further their customers' interests.
3. People always get treated justly here.
4. Employees here are truly committed to high moral standards in their treatment of others.
B. Peer behavior
1. Employees here have performed unethical acts.
2. I've seen other employees do things that bother me from a moral viewpoint.
3. Some of the people I work with do things that I feel are unethical
4. Generally, employees here simply act to protect their own self-interest.
5. Employees here do things based on the "CYA" (protect yourself) principle.
6. Employees here sometimes take revenge out on customers.
C. Ethical norms
1. If I spent a lot of time thinking about how morally right everyone is treated, I'd be really stressed out.
2. Employees acting unethically for personal gain are punished
3. Employees acting unethically for company gain are punished.
D. Selling practices
1. Employees here are encouraged highly to "up-sell" customers.
2. Employees here are required to very aggressive in making "suggested sales" or selling "add-ons".
3. Customers here are sometimes encouraged to buy something they might not truly need.

Any concept becomes richer when it gets more descriptive, explaining, and predictive value by relating it to other concepts and variables. The relationship between ethical climate and, for instance, job satisfaction and organizational commitment is important enough to examine, at best in a non-circular way (refraining from considering job satisfaction a feature of ethical

climate).

- *Evaluative and interventional issues*

As was noted above, Babin, Boles, and Robin adopt a simple "more moral" evaluative perspective without specifying the meaning of moral. Their approach lacks an interventional component, though they suggest the importance of ethics training (ETR) and compensation for ethical behavior (ERE) (2000, 355), from a climate-neutral perspective.

(4) The moral climate approach of Navran and Coutinho de Arruda

At the turn of the century, an alternative, non-Kohlbergian approach of moral climate was introduced by Navran en Coutinho de Arruda (Coutinho de Arruda & Frank Navran, 2000; Jobim & Coutinho de Arruda, 2005). Essential is the assessment of the degree of an organization's ethicalness and its relation to organizational survival and viability.

- *Conceptual and typological issues*

Ethical climate is considered from a perceptions approach, analyzed in terms of the time of work in the organization and the hierarchical position, as either manager or subordinate. Ethical climate is defined as a shared perception of employees in what relates to policies, practices and formal and informal procedures of the organization. Following the definitions of Reichers and Schneider (1990), ethical climate is considered as an important component of the culture and of the organizational climate. Both the decision's moral *contents* - what should be done - and the *process* and *practice* of such decision - how it should be done – are analyzed within the relationship of the organization with its stakeholders. Ethical climate thus represents the values, practices, and procedures that involve moral attitudes and behavior of the institution. The authors evaluate their model as more practical than the sophisticated theoretical basis presented by Victor and Cullen, however, without valid argumentation, but with the suggestion to use the model of Victor and Cullen for deeper theoretical analysis.

From a theoretical perspective, the results provide insights about the characteristics and the dynamics of the work environment that affect the ethical climate as perceived by employees. From a practical perspective, the systematic verification of the ethical climate and the knowledge of the differences that may emerge among the groups that allow the creation of mechanisms of comparison, either internally or externally to the company, enabling to act with a focus on necessary adjustments and improvements of the management. An ethical organization is defined as one conquering the respect and trust of its stakeholders, establishing an acceptable equilibrium among its economic interests and the interests of all affected parties, when decisions are made or actions are taken. To become truly ethical, a company must seek consistence between the values that guide the management of persons – reflected in the policies and practices Human Resources Management – and its strategies of action. The authors suggest that the perception of the employee about the company's ethical climate has a positive relation with the organizational commitment and/or with employee satisfaction toward the company and his or her work. A positive ethical climate is assumed and found to create a psychological environment that propitiates the share of perceptions and to affect the employees' level of commitment.

Despite the distinction of no less than eleven climate dimensions, there is no moral climate

typology, based on, for instance, the scores on these dimensions. These dimensions include (1) formal systems, (2) measures, (3) leadership, (4) negotiation, (5) expectations, (6) consistence, (7) keys to success, (8) customer services, (9) communication, (10) peers' influence, and (11) ethical conscience.

- *Empirical issues*

Ethical climate is assumed a dependent variable, determined by tenure and position in the organization (management, non-management). The measurement tool used does not rely on scenarios (as in Kohlberg's research methodology), but addresses indicators allowing results of ethical consistence among the eleven dimensions as indicators of the ethical climate, expressed in seven affirmatives in terms, ranging from total disagreement (1) to total agreement (7). Points 1 to 3 reflect unsatisfactory ethical climate, 4 and 5 are characterized as medium, and 6 and 7 as good or excellent ethical climate. Research showed no differences in ethical climate perception between managers and other employees. Furthermore, the results indicated the existence of a weak but positive relation between the variables time of work for the company and average evaluation of the ethical climate. More in particular, the dimensions leadership and expectations appeared to have a strong positive relation with the time of work for the company. The longer the period of an employee's tenure, the higher the agreement with the affirmatives corresponding to these dimensions. On the other hand, ethical climate conscience and communication seemed to have no linear relation - positive nor negative – with the time of work for the company (2004, 9-10). Future research should incorporate other variables, including gender, educational level, and differences between sectors.

- *Evaluative issues*

From an evaluative point of, the model discussed embraces a pragmatic contingency approach, when emphasizing congruence or consistency: the individual and the organization are more efficient when there is congruence between values and beliefs related to how work should be done and the expectations and requirements of the organization towards success.

- *Interventional issues*

The authors offer no climate-specific programs of intervention. Instead, they suggest to create and ethical climate and culture by investing in programs of business ethics, specific training, and the development of an ethics committee.

The tentative rejection of the model of Victor and Cullen, and implicitly, of the model of Kohlberg is not followed by a clear concept and typology. Even more problematic is the use the moral climate concept in both a descriptive and an evaluative sense, unfortunately mixed up in both contributions mentioned. The eleven ethical climate dimensions are all of a different kind, with no other indication of their interrelation than that they are consistent, consistence being one of these dimensions itself. Therefore, these dimensions are far from being a model with explanatory power with no justified claims concerning unsatisfactory, medium, or excellent ethical climate. The authors emphasize consistency between dimensions, but not contingency between ethical climate and environment. Furthermore, since there is only an implicit notion of ethicality, it is not exactly clear what it means and how it can be justified. Therefore, there criteria of evaluating moral climate are neither clear nor convincing. Yet, De Arruda and Navran appear to have some notion about the difficulties of the twin criteria: ethical criteria and

contingency criteria, when they conclude that an ethical climate (in an evaluative meaning) does not automatically guarantee organizational survival and viability (2000, 34). In sum, apart from the identification of moral climate dimensions, this approach seems to be not as fruitful as it could have been with more elaborated concepts, research designs, criteria for evaluation, and programs for intervention.

(5) Moral climate in health care organizations

In this section, contributions are collected concerning moral climate in health care organizations. The discussion starts with a review of the concept proposed by Linda Olson (1995, 1995d, 1998, 2002) and closes with a chronological discussion of the small, but relevant spinoff (Bahcecik & Oztürk, 2003; Hart, 2005; Shirey, 2005; Hamric & Blackhall, 2007; Ulrich, O'Donnell, Farrar, Danis & Grady, 2007; Schluter, Winch, Holzhauser & Henderson, 2008). The link between these publications is the use of Olson's Hospital Ethical Climate Survey (HECS). This means that this subsection is far from complete. It excludes the publications on moral climate in health care organizations discussed in other sections. The greater part of these publication used the Ethical Climate Questionnaire of Victor and Cullen and were discussed in section 4(Corley, Minick, Elswick & Jacobs, 2005; Ells, Downie & Kenny, 2002; Filipova, 2009; Goldman & Tabak, 2010; Joseph & Deshpande, 1997; McDaniel, 1998; Nakhaee, Mosbasher & Garoosi, 2008; Silverman, 2000; Sims & Kroeck, 1994; Tsai & Huang, 2008; Weber, Kurke & Pentico, 2003).

Olson (1995, 1995d, 1998, 2002) introduced a new way of looking at moral climate in hospital health care work settings. Unfortunately, her doctoral dissertation (*Hospital Nurses' Perceptions of the Ethical Climate of Their Work Setting,* 1995b) was not available. However, it may be expected that the papers discussed below (*Ethical Climate in Health Care Organizations*, 1995 and *Hospital Nurses' Perceptions of the Ethical Climate of Their Work Setting*, 1998) contain the essentials of this dissertation. Since the latter of these texts shares its title with the dissertation, it can reasonably be expected that these articles both are a concise representation of its main concepts and findings.

In the editorial in Chart (2002), Olson describes moral climate as the context for nurse retention. Instead of implementing incentives such as wage increases and bonuses to prevent nurse retention and eventual shortage, health care organizations must use approaches that aim at improving the work environment and working conditions, including relationships with each other and other healthcare professionals. Ethical climate - the way in which an organization views and handles ethical issues - is an organizational variable that can be managed in order to improve the workplace environment.

Olson reviews the ethical climate literature available at that time (including the contributions of Victor and Cullen, but ignoring those of, for instance, Snell, Reidenbach and Robin, and Treviño) and attempts define ethical climate properly. According to Olson (1995, 87-88)

- Ethical climate is about shared perceptions.
- Ethical climate is a force that drives organizational decisions that affect other people.
- Ethical climate is a relatively enduring, but not static, characteristic of an organization, an evolving organizational variable (that can be changed, managed and improved, for instance because of a change in leadership, especially at the top, and especially when this results in changes in organizational values and organizational missions).

- Perceptions of ethical climate are considered general and pervasive, and as permeating throughout the organization. Depending on the degree of consensus among organizational members, ethical climates are strong or weak.
- Organizations characterized by having well-known values and more developed cultures possess stronger ethical climates.
- There are different types of distinctive ethical climates in each organization

Olson is rather incomplete and possibly biased in her *conceptual* account of ethical climate, and seems to confuse ethical as a phenomenon and ethical climate perceptions (with all trouble concerning the perceptions approach discussed in chapter 3 of the present study). Furthermore, Olson seems to confuse descriptive and normative use of the ethical climate concept, and uses the term 'strong climate' in two distinct meaning (degree of consensus as well as more developed in terms of values). Olson offers no *typology*, but, from an *empirical* perspective, devotes attention to both antecedents and consequences of ethical climate, though it is not clear whether she means ethical climate as a phenomenon or ethical climate perceptions. Antecedents include organization's history, formal structures, mission, philosophy and values, reward mechanisms, management practices, whereas consequences include job satisfaction, ethical optimism, and increased person-organization fit. It is not clear whether she considers ethical climate as a mediator or moderator between antecedents and consequences. Olson does not mention a clear criterion for moral climate *evaluation*, apart from well-known values. Olson (1995) offers suggestions for moral climate *intervention*, including policy development, implementation and evaluation (POD), ethics training (ETR), ethics advocate roles (including committees) (EAR), focusing on ethical issues (FEI) and improvement of communication about ethical issues (IOC). In a subsequent publication, Olson (1998) describes the validation of an instrument for measuring ethical climate, the Hospital Ethical Climate Survey (HECS). The HECS items are about practices that typically comprise an ethical climate. The 26 items in the final item pool were organized according to conditions for ethical reflection in organizations as described above and according to the relationships hospital nurses have in their work settings with peers, patients, managers, physicians, and the hospital:

Table 5.3.33 Hospital Ethical Climate Survey

peers	patients	managers	hospital	physicians
1. Peers listen 2. Peers help 3. Competent colleagues 4. Safe patient care	5. Patient know what to expect 6. Access to information 7. Use information 8. Patients' wishes respected	9. Manager helps me 10. Manager supports me 11. Manager listens to me 12. Manager someone to trust 13. Manager helps peers decide 14. Manager someone I respect.	15. Hospital policies help me 16. Hospital's mission shared 17. Practice nursing the way I believe it should be 18. Everyone's feelings taken into account 19. Conflict dealt with openly 20. Sense of questioning, listening.	21. Nurses and physicians trust one another 22. Nurses supported in hospital 23. Physicians ask nurse's opinions 24. I participate in treatment decisions 25. Nurses and physicians respect other's opinions 26. Nurses and physicians respect each other.

According to Olson, the results of her study demonstrate that the HECS has acceptable initial reliability and validity, there is variability in nurses' perceptions of ethical climate between

hospitals, and these perceptions can be categorized into five dimensions, using the relationships of peers, patients, managers, hospitals, and physicians. The HECS can be scrutinized for the choice and formulation of questionnaire items: items seem to overlap, whereas possible morally relevant issues are ignored. Furthermore, the unit of analysis remains unspecified (hospital, ward, unit?). Among her suggestions for future research, Olson (1998, 348) suggests studying the relationship between the organizational practices and conditions comprising the ethical climate on the business side of hospital or other health care organizations, and those comprising the ethical climate of the clinical side, perhaps to detect the existence of subclimates when open dialogue does not exist in all parts of the organization and when different answers arise regarding resource-allocation questions. No special attention is paid to *evaluative* issues ('more moral', without explicitly formulated criteria). Though Olson (1998, 348) suggests that her instrument can identify and implement mechanisms to manage, change, and improve moral climate, she does not give concrete suggestions about these mechanisms in terms of moral climate *intervention*. The objections raised concerning her conception of moral climate, apply to this contribution as well.
In a third contribution, Olson (2002) summarizes her view on moral climate, without adding new elements, though she explicitly mentions the role of leadership. Olson stresses five conditions for ethical reflection and dialogue to occur: power, trust, inclusion, role flexibility, and inquiry, and briefly discusses the HECS.

In a number of subsequent contributions, the HECS was used. Bahacik and Oztürk (2003) assessed the validity and reliability of the HECS (as represented above) in Turkey and determined how nurses perceive the ethical climate of their working environment (in four hospitals: state, university, social insurance, and private). The authors found significant differences. The type of hospital greatly affected the level of positive perceptions, as did the age of the nurses and the unit on which they worked also showed to important factors. One might asked why the survey was restricted to nurses. From an evaluative point, a more moral perspective is adopted; the authors offer suggestion for moral climate intervention, including management development and exemplary management behavior (of doctors) MAD; EMB). More room should be spared expressing positive ethical behaviors and principles within institution mission, policies, and standards (FEI; IOC; POD; COE, stimulated by ethics training for all employees, including managers (ETR).
Using the HECS, Hart (2005) investigated (a) the effects of hospital ethical climates on positional and professional turnover intentions of registered nurses, and (b) the relationships among demographic factors, employment characteristics, and positional and professional turnover intentions of registered nurses. According to Hart, nurses' ability to adequately address the many ethical issues they confront can be influenced by their perceptions of the ethical climate in which they practice. If nurses perceive the ethical climate of the practice environment to be one in which their primary obligation to patients is compromised, job dissatisfaction and professional and positional turnover might result. From a more moral evaluative perspective, improvements in nursing retention might also be achieved when nurses are able to maintain control over their professional nursing practice (JOB) and when employers address nurses' concerns regarding workload and staffing (CFE). Employers of nurses should also consider the

use of ethics education to enhance nursing retention (ETR). However, these interventions are more aimed at influencing retention than influencing moral climate (though they may affect it indirectly). In sum, the findings of Hart do not tell us not so much more than that a positive ethical climate keeps nurses committed to their organization and prevents them to leave. Hart (2004) also wrote an unpublished doctoral dissertation - *Hospital Ethical Climate and Nurses' Turnover Behavior: A study of Missouri Registered Nurses* - that was not available. However, as the titles suggest, the article covers the contents of the dissertation being based upon it.

Shirey (2005) discusses the leader's role in ensuring congruence between caring missions and caring practices and presents components of ethical climate and strategies to create a positive ethical climate. Driven by supportive leadership, creating an ethical climate in nursing practice increases employee morale, enhances organizational commitment, and fosters an engaged and retained workforce. Intervention modes (from a values based more moral perspective) include codes of ethics , safety guidelines, compliance manuals, and mission statements (COE), exemplary management behavior and management development (EMB; MAD), organizational ethical appraisal through ethical climate surveys using the HECS, audits, and internal and external monitoring (OAE); employee screening (ESE), employee appraisal and promoting (EAP), ethics training (ETR); employee rewarding, especially leaders (ERE); ethics officer, ethical committees whistle-blowing systems (EAR).

Ulrich, O'Donnell, Farrar, Danis & Grady (2007), using an adapted (possibly simplified) version of the HECS describe how nurses and social workers in the US view the ethical climate in which they work. This description includes the degree of ethics stress they feel, and the adequacy of organizational resources to address their ethical concerns. Ethics-related stress is an occupational stress that is the emotional, physical, and psychosocial consequences of moral distress (for instance, knowing the morally right course of action but constrained to carry out the action). Taking ethical climate as the independent variable, the consequences of ethics stress can include frustration, interpersonal conflict, dissatisfaction, physical illness, and possibly abandonment of the profession. Because of the research design (number of respondents per organization) there might be problems concerning sample size and unit of analysis issues. The authors found that a positive ethical climate and job satisfaction protect against respondents intentions to leave as did perceptions of adequate or extensive institutional support for dealing with ethical issues. From a 'more positive' evaluative criterion, the authors suggest investing in institutional ethics support and resources for employees (EAR, ETR, FEI, IOC, COE?). Establishing a positive ethical climate for practice might lead to more job satisfaction of nurses and social workers, and possibly reduce turnover intentions, which in turn could have a positive effect on patient care and quality outcomes at a reasonably low cost.

Hamric and Blackhall (2007) explored registered nurses' and attending physicians' perspectives on caring for dying patients in intensive care units (ICUs) and devoted special attention to the relationships among moral distress, ethical climate, physician/nurse collaboration, and satisfaction with quality of care. The authors used an adapted 15-item version of the HECS, taking ethical climate as the independent variable and moral distress and collaboration as outcome variables. The authors found that registered nurses experienced more moral distress and lower collaboration than physicians did. These nurses perceived their ethical environment as more negative, and were less satisfied with the quality of care provided on their units than were

physicians. Hamric and Blackhall did not use an explicit criterion for moral climate evaluation, while using the moral climate concept only in a tangential way, as an explaining variable borrowed from moral climate theory as an auxiliary theory. Despite the lack of explicit evaluative criteria, the authors offer suggestions for moral climate intervention, at least indirectly, for instance improvement of communication (IOC).
In the last publication discussed in this subsection, Schluter, Winch, Holzhauser & Henderson (2008) examined in a review contribution the effects of unresolved moral distress and poor ethical climate on nurse turnover, and eventually, on nurse shortage and poor healthcare quality. While referring to Hart (2005), the authors suggest that moral distress and ethical climate have been shown to impact negatively on the job satisfaction of nurses. Put more generally, a hospital's ethical climate can significantly influence the turnover intentions of registered nursing (and probably other) staff, though the authors conclude that the theme should get more intention in literature. Criteria to evaluate moral climate remain implicit, at best. Suggestions for intervention include improvement of communication and collaboration (IOC) and ethics training for all workers involved (ETR). These authors struggle with the sloppiness of moral climate concepts, mostly due to inadequate research search and tangential and uncritical use of concepts and methods (including the HECS). We could agree with the authors that more research is needed to get relations between variables specified properly.

In sum, these publications reveal a drifting away from common moral climate concepts in favor of uncritical use of terms, and a questionable research instrument (the HECS) that seems to be transformed into more simple versions. The main virtues of these contributions is applying the moral climate concept to health care organizations, designing and using an instrument that fits this type of organization (though its foundation and elaboration could have been better), and identifying variables and useful auxiliary theories (for instance, on moral distress). Evaluative criteria remain inadequately formulated (if at all), and suggestions for intervention aim at improving communication (on ethical issues), for the most part.

(6) Justice climate
In a small number of contributions (n=5), an alternative way of conceptualizing the moral aspects of climate is advocated by applying the term (procedural) justice climate (Colquitt, Noe & Jackson, 2002; Ehrhart, 2004; Liao & Rupp, 2005; Mossholder, Bennett & Martin, 1998) or procedural justice context (Naumann & Bennett, 2000). Though fitting within the domain of moral climate theory, these publications in particular are isolated from those of other (groups of) authors, as appears from a genealogical perspective. In none of these publications, references are made to Kohlbergian literature, whereas the contributions of much quoted authors, such as Victor and Cullen, Snell, Cohen and Treviño and associates seem unknown contributors to (procedural) justice climate theory. However, they do make some use of climate and culture theory in conceptualizing (procedural) justice climate (for instance, Dansereau & Alutto, 1990; Glick, 1985; Hofstede, 1980; Lindell & Brandt, 2000; Powell & Butterfield 1978; Rentsch,1990; Schneider, 1975; Schneider, 1990; Schneider & Reichers, 1983; Trice & Beyer 1993).
From the *conceptual* point of view, Mossholder, Bennett, and Martin (1998) offer no more than the term procedural justice context, explain little, and make no connections to ethics theory.

Naumann and Bennett (2000) do not get much further, apart from adopting the term procedural justice climate while suggesting that climate literature can offer a theoretical framework, more in particular its perception version. Both publications lack an elaborated notion of justice, though from a dynamical point of view they make proper use of the ASA approach (attraction, selection, attrition) to explain perceptual homogeneity within work groups. Colquitt, Noe, and Jackson (2002) define procedural justice as the fairness of decision-making procedures (with regard to consistency, bias suppression, accuracy, and correctability) and adopt a perceptions approach, too, when explaining procedural justice climate as the average procedural justice perception within a team (thus neglecting the larger organizational system). However, a strong point is their distinction between climate level and climate strength to get a fuller grasp of moral climate. Ehrhart (2005) uncritically refers to the contributions of Mossholder, Bennett, and Martin (1998) and of Naumann and Bennett (2000) while using the concept of procedural justice climate only as a taken-for-granted auxiliary concept.

None of the contributions offers a *typology*, though Liao and Rupp (2005) are close to formulating a typology of procedural justice climates according to three types of justice (procedural, informational, and interpersonal) and two types of foci (organization and supervisor), that is, six types of justice climate, however without defining them properly, and using the terms in a normative sense.

From an *empirical* point of view, two options enter the picture (all research reports using survey techniques). Mossholder, Bennett, and Martin (1998) consider procedural justice context as an *independent* variable, and job satisfaction and organizational commitment as outcome variables. Liao and Rupp (2005) also seem to take justice climate as an independent variable with work outcomes as consequences, including satisfaction, commitment, and organizational citizenship. Naumann and Bennett (2000) consider (procedural) justice climate as a *mediating* variable, with leadership and workgroup characteristics as antecedents, and organizational commitment and helping behavior as outcome variables. Colquitt, Noe, and Jackson (2002) also take (procedural) justice climate as a mediating variable with team size and collectivism as antecedents, and team performance and team absenteeism as consequences. Finally, Ehrhart (2005) considers (procedural) justice climate as a mediating variable, too, with servant leadership behavior as antecedent and unit-level organizational citizenship behavior as consequence.

Moral climate *evaluation* is considered from the perspective of climates being higher and lower or negative and positive in (procedural) justice, though without further explanation (which may be due to ill-defined concepts). For instance, Ehrhart (2005) recognizes lower and higher levels of procedural justice climate, without explaining the defining characteristics of these (and possibly other) levels.

Moral climate *intervention* is not issue receiving much attention. It may not be surprising that moral climate intervention first and last aims at promoting justice. This is supposed to take place through exemplary management behavior, concern for employees, (just) employee rewarding and appraisal, improvement of communication (on ethical issues),focusing on ethical issues, concrete guidance, management development, ethics training. One publication also mentioned organizational restructuring aimed at working in smaller units (Ehrhart, 2005), whereas and other publications mentioned policy development (Liao & Rupp, 2005), implementing a code of ethics (Mossholder, Bennett & Martin, 1998), and employee selection and socialization (Naumann &

Bennett, 2000).
In sum, this direction in moral climate theory represents an intriguing though ill-conceptualized attempt to introduce procedural justice into the field of moral climate theory. When connected to the Kohlbergian corpus – having justice as its core concept – the yield of this attempt may be both more valuable and more fruitful while offering a special account of justice. First of all, a thorough defined concept of procedural justice climate is needed, and its relationships to other moral climate concepts specified.

(7) Moral climate in the sales force

A final subsection concerns moral climate among the sales force. In a series of conceptually and methodological related contributions (n=15), moral climate among the sales force is examined (Ferrell, Johnston & Ferrell, 2007; Ingram, LaForge & Schwepker, 2007; Loe & Ferrell 1997; Jaramillo, Mulki & Solomon, 2006; Mulki, Jaramillo & Locander, 2006; Mulki, Jaramillo & Locander, 2007; Mulki, Jaramillo & Locander, 2008; Schwepker 2001; Schwepker, Ferrell & Ingram, 1997; Schwepker & Good, 1999; Schwepker & Good, 2007; Schwepker & Hartline, 2005; Weeks, Loe, Chonko & Wakefield, 2004; Weeks, Loe, Chonko, Martinez & Wakefield, 2006; Wotruba, Chonko & Loe 2001[107]). Though many of these authors are acquainted with cognitive moral developmental theory and with the ethical climate typology of Victor and Cullen, both are rejected as a *conceptual* basis for moral climate theory. Some authors (for instance, Weeks et al, 2006) refer to cognitive moral developmental stages, but only as a variable affecting moral climate perception. Kohlbergian moral atmosphere theory is not recognized as a source of inspiration for moral climate theory. The descriptive model of Victor and Cullen is renounced for reasons not fully explained. For instance, Mulki et al (2007) consider ethical climate as a one-dimensional construct used to gauge employee's assessment of the presence and enforcement of a code of ethics, communication of ethical expectations, corporate policies on ethics, and top management actions related to ethics. Doing so, an evaluative moral climate concept is embraced in which a moral climate is more or less ethical in terms of these features. Nevertheless, the definition-in-use of moral climate is much like the terms used by Victor and Cullen, adopting their perceptions view on climate: "ethical climate refers to the salesperson's perceptions of the ethical standards that are reflected in the organization's practices, procedures, norms, and values with an ethical content that provides cues about acceptable behaviors". Since no dimensional descriptive concept is used, there is no ground for expecting a *typology*. However, when concentrating on these formulations, many authors probably have a conventional rules climate type in mind, without reference to the model of Victor and Cullen, or to Kohlbergian theory.
Concerning the *empirical* dimension, moral climate is examined through surveys in which moral climate taken as the independent variable, and several other factors are taken as outcome variables, including job satisfaction, supervisor satisfaction, supervisor trust, commitment, turnover (intentions), ethical conflict and role stress, ethical decision-making, ethical attitudes, effort, job performance, customer contact, and sales quota. Only one contribution (Mulki et al, 2008) considered moral climate as the dependent variable, taking leadership as the antecedent. Furthermore, one contribution (Schwepker & Good, 1999) considered moral climate as a variable moderating between perceived quota difficulty and moral judgment. Finally, in three

contributions moral climate seems to be considered as a mediating variable:

1. between sales leadership and sales management control strategy as the independent variables and sales people moral decision-making as outcome variable (Ingram, LaForge & Schwepker, 2007),
2. between enforcement of ethical codes, discussion of ethics, and punishment for ethical violations as antecedents and attitudinal responses (including role conflict; role ambiguity, job satisfaction, and commitment to service quality) as outcome variables(Schwepker & Hartline, 2005),
3. between transformational and ethical leadership and salesperson behaviors (Mulki, Jaramillo & Locander, 2008)

Ethical climate is measured through the following seven-item scale (introduced by Schwepker, Ferrell, & Ingram, 1997, used by Schwepker & Good, 1999; Schwepker & Hartline, 2005; Jaramillo, Mulki & Solomon, 2006; Mulki, Jaramillo & Locander, 2006; 2007; 2008):

EC1 My company has a formal, written code of ethics.
EC2 My company strictly enforces a code of ethics.
EC3 My company has policies with regard to ethical behavior.
EC4 My company strictly enforces policies regarding ethical behavior.
EC5 Top management in my company has let it be known in no uncertain terms that unethical behaviors will not be tolerated.
EC6 If a salesperson in my company is discovered to have engaged in unethical behavior that results primarily in personal gain (rather than corporate gain), she or he will be promptly reprimanded.
EC7 If a salesperson in my company is discovered to have engaged in unethical behavior that results primarily in corporate gain (rather than personal gain), she or he will be promptly reprimanded.

The problem with this type of questionnaires is their validity: are these issues really tapping moral climate or are they just tapping one type of moral climate?

Most contributions pay no special attention to moral climate *evaluation*, while simply considering moral climate in terms of more or less ethical, without specifying what makes a moral climate more or less ethical, and instead using a very general notion of "ethical", and sometimes, ethical fit on a conventional level, akin to a rules climate as distinguished by Victor and Cullen (for instance, Schwepker, Ferrell & Ingram, 1997, and Schwepker & Hartline, 2005), lacking a scale of ethicality in all cases. This ethical fit perspective implies considering ethical climate as a formal and manageable control mechanism, thus adopting a very functional approach of moral climate (for instance, Schwepker & Hartline, 2005; Schwepker & Good, 2007).

From an *interventional* point of view, several suggestions are made to influence moral climate, including exemplary management behavior, implementing ethical codes, focusing on ethical issues, improving communication on ethical issues, and ethics policy development. Furthermore, some HR instruments are mentioned, notably employee selection and socialization, ethics training, employee punishment, rewarding and appraisal. Although these interventions aim at a moral climate being or more ethical or enhancing an ethical fit between employee and organization, measures described are not tailor-made for these aims (and hence are climate neutral). A possible exception is the contribution of Ingram, LaForge, and Schwepker (2007) that seems to be suffused with Kohlbergian insights when considering personnel from a cognitive developmental moral perspective (for instance, when proposing to hire personnel able

to function at higher stages of moral development). However, since they did not adopt a developmental perspective on moral climate, their suggestions for intervention are not climate-specific in its fullest sense.
In sum, because of the watered-down use or even abandoning of current moral climate theories and models that could have been helpful, this collection of contributions to moral climate does not so much contribute to moral climate theory from a conceptual point of view while lacking clarity. The strength lies in identifying and examining moral climate outcome variables, and, even more important, putting moral climate on the map of the selling and sales management world, yet in a suboptimal way. A significant feature of some of these contributions is their ambiguous relationship to cognitive moral developmental theory, put aside with the right hand, though resumed with the left hand, however, without ever grasping its true value.

(8) The School Ethical Climate Index of Schulte and associates

Laura E. Schulte and associates, notably Kay Keiser, have set up a series of studies circling around the Ethical Climate Index (ECI), eventually adapted to the School Ethical Climate Index (SECI) and the Elementary School Ethical Climate Index (ESECI) (Schulte, Brown & Wise, 1991; Schulte, 2001; Schulte, Thompson, Hayes, Noble & Jacobs, 2001; Schulte, Thompson, Talbott, Luther, Garcia, Blanchard, Conway & Mueller, 2002; Schulte, Shanahan, Anderson & Sides, 2002; Keiser & Schulte, 2007; 2009). In a generalized characterization, these studies are more statistics than conceptualizations, though probably fruitful in their impact.

- *Conceptual and typological issues*

From a *conceptual* point of view, Schulte and associates offer a shallow concept in both its moral and its climate part. The authors join in with school climate literature embracing a perceptions approach of climate, without much explanation or reflection on choices made. The moral part is fleshed out with five principles borrowed from Kitchener (1984; 1985), including respect for autonomy or respecting the right of an individual to act independently, non-maleficence or doing no harm to others, beneficence or benefiting others, justice or treating others fairly, and fidelity or being loyal and trustworthy. These principles were translated into questionnaire items related to *teacher-to-student*, *student-to-teacher/learning environment*, and *student-to-student* interactions and relationships. An axiological approach asks for translation of values and principles into clear behavioral categories in order to avoid unclear or even contradictory explanations. A more specified definition of values could have led to a *typology* of ethical climates with values or principles more or less being dominant. Since the authors have not chosen to do so, a typology is absent. A striking peculiarity is that the authors seem to be aware of Kohlbergian cognitive developmental moral theory, but do not use it, or its moral atmosphere elaboration. This is a pity once more, since Kohlbergian moral atmosphere theory and the idea of schools as Just Communities comes rather close to the ideal of the school as a moral community Schulte et al apparently have in mind and could have provided the authors with thoroughly considered concepts and instruments.

- *Empirical issues*

From an *empirical* point view, much work has been done to construct and validate the several versions of the Ethical Climate Index. Progress shows in the gradual diminishing of questionnaire items, from 103 items in the initial version to 38 items in the Elementary School

Ethical Climate Index. Though validated well through strict statistical validations, the inadequate conceptualization plays tricks upon the users of the Ethical Climate Index, especially in the proper translation of Kitchener's values and principles into univocal items. Considered from a Kohlbergian position, the trouble with these items is that they ask for moral contents, not for moral strategies of argumentation according to which moral competence and be measured. Furthermore, it is not always clear what type of variable ethical climate is supposed to be. Sometimes it is treated as an independent variable with several desirable and undesirable outcome variables listed (such as retention), sometimes it is treated as a dependent variable.

- *Evaluative and interventional issues*

From an *evaluative* point of view, Schulte et al offer no more than an indication of an ethical climate in terms of less and more ethical, without further specification of what makes an ethical climate more or less ethical. From a distance, the authors seem to adopt some Stage 4 manner of moral reasoning as the ultimate aim (schools preparing for being a good citizen), though it can be thought of that post-conventional morality is an even more ultimate aim because ethical principles lie at the heart of the model. Anyhow, Schulte et al give no clear expression of their evaluative criterion.

From an *interventional* point of view, every next study offers more specific suggestions for intervention. In the terminology of the format of intervention strategies, Keiser and Schulte (2007; 2009) emphasize exemplary management (staff/teacher) behavior (EMB), improvement of communication (about ethical issues) (IOC), concrete guidance (in reducing unethical behavior) (COG), focusing on ethical issues (FEI), concern/care for employees (including offering a supportive work environment) (CFE), and policy development, implementation and evaluation (POD), and valuation of organizational goals and values (EGV). Since there is no moral climate typology or a clear evaluative criterion, these suggestions are climate neutral.

In sum, this line of contributions represents a specific approach to measure the ethical climate of various types of school, but fails to give a clear moral climate concept, misses the opportunities to construct a moral climate typology, has no clear criterion of evaluation, but appears to be fruitful in capturing some practice of moral climate and giving directions for improving it. Since Schulte et al almost make a tangential use of the moral climate concept, their contributions make a good example of contributions that also could have been discussed in the next section, but were included in the alternative directions section 6 because of the thorough elaboration into a research instrument, the Ethical Climate Index, and its derivatives.

(9) Pareek and organizational ethos: the OCTAPACE profile

The OCTAPACE Profile of PAREEK (1994) described in *Studying Organizational Ethics: The OCTAPACE Profile*, represents a rather different effort to capture moral climate while focusing on *organizational ethos, climate* and *atmosphere*. His contribution is included because its cultural perspectives contain explicit moral overtones culminating in an intervention program to improve organizational morality. Pareek does not put his model into a business ethics framework. The model rather stands on its own, perhaps because it was developed in an area outside the USA and Britain (India). However, exactly for this reason it can be enriching to consider contributions that are not part of mainstream modes of thought.

Pareek (1994, 153) considers culture-related concepts as multilevel concepts. At the core (first

level) are the values, which give a distinct identity to a group. This is the *ethos* of the group (the underlying, fundamental character or spirit of a culture, the dominant assumptions of a people or period). The second level concept is that of *climate*, which can be defined as the *perceived attributes* of an organization and its subsystems as reflected in the way it deals with its members, groups, and issues. The third-level concept relates to the effects of the climate, *atmosphere*. The fourth-level concept is that of culture, the cumulative beliefs, values, and assumptions underlying transactions with nature and important phenomena, as reflected in artifacts, rituals, and so on. Culture is reflected in the means that are adopted to deal with basic phenomena. Pareek developed four related instruments to measure these concepts: ethos (OCTAPACE Profile), climate (MAO-C), atmosphere (MOA-A), and culture (Organizational Survey). Pareek's 1994 contribution describes the OCTAPACE Profile model.

According to Pareek (1994, 154), organizational ethos can be described in terms of eight core values (some moral, others non-moral values) arranged into the acronym OCTAPACE, eight (octa) steps (pace) to create functional ethos, including **O**penness, **C**onfrontation, **T**rust, **A**uthenticity, **P**roaction, **A**utonomy, **C**ollaboration, and **E**xperimentation. Pareek developed the OCTAPACE Profile to measure organizational ethos in terms of these values. The instrument consists of three items measuring values and two items measuring beliefs on each of the eight dimensions (values), in sum forty items. It can be used in teams and organizations as a means of self-assessment or self-audit in order to improve the organization's ethos. Pareek offers extensive instructions for use.

Though the model looks interesting, promising, and easy to apply, some objections can be raised and flaws identified. *Conceptually*, the eight values are put forward without any further argumentation, making them appear arbitrary with possibly no other criterion than fitting into the acronym. They are defined very briefly, and little is said about their interrelation. Other moral values, such as justice, integrity, respect, honesty, and responsibility, and non-moral values such as safety and service, fall outside the model (though respect is mentioned in one questionnaire item). The appropriateness of the values authenticity and openness can be questioned in organizations that ask for strategic communication. Standards may be at odds with organizational contingencies. Pareek appears to use a double criterion for *evaluation*, from both a moral and a pragmatic consistency perspective, both badly specified. From a contingency perspective, perhaps differential norms for the OCTAPACE Profile might be developed to avoid a one-size-fits-all approach. This is necessary, because as the model aims at organization development, it cannot do without an appropriate criterion of evaluation. However, Pareek explicitly leaves the option open of developing diverging tentative norms for different businesses. Perhaps differential programs of *intervention* should accompany and complete these elaborations. In sum, Pareek's suggestion for intervention comes down on conducting some sort of self-guided audit, coded in terms of the format of the present study as OEA: organizational ethical appraisal (audits, internal, and external monitoring).

Empirically, when developing the OCTAPACE Profile, both moral values and organizational contingencies, such as strategy, specific tasks and assignments of the organization and its membership, type of competition, structure variables (including degree of membership voice and participation in decision-making) should be taken into consideration instead of trying to construct a context-free instrument. More in general, Pareek seems to take organizational ethos

as an independent variable; in a more elaborated research design, other variables should be specified accordingly.
However, even without the suggested refinements, the instrument can be used to foster discussion on organizational practices and facilitate organization (moral) development. Though being not perfect, the OCTAPACE Profile can be used to bring the organization to action.

(10) Stakeholder culture
A final alternative direction concerns stakeholder culture. Jones, Felps, and Bigley (2007) identified and developed a framework that highlights points of convergence – self-regarding versus other-regarding – in several otherwise diverse approaches to business ethics. They used this framework to create a continuum punctuated by five corporate stakeholder cultures - organization-level phenomena that guide managerial thinking and decision-making with respect to stakeholder relationships of for-profit organizations (agency culture, corporate egoist culture, instrumentalist culture, moralist culture, and altruist culture). Next, the authors applied their stakeholder culture construct to stakeholder salience theory while noting the emergence of significantly revised predictions of salience. A strong point of this alternative direction is its focus on stakeholders and the salience of their respective claims. However, their five-type typology is reduced quickly to three types while omitting agency culture (amoral) and altruist theory. Furthermore, the culture part is poorly elaborated into behavioral terms, whereas the stakeholder part consists of a formal distinction of stakeholder types distinguished according to three criteria (power, legitimacy, urgency): definitive, dominant, dependent, dangerous, dormant, discretionary, demanding, and even non-stakeholders, without giving a material specification of these stakeholder types. Next, stakeholder culture theory is limited by its teleological nature when facing rights and rules that hard to include in a manner of thinking focusing on honoring and balancing stakeholder claims. Finally, the authors do not deal with evaluative issues, and give no directions for moral climate intervention. Nevertheless, despite its flaws, stakeholder culture is an important new way to identify stakeholder types within the moral horizon of organizations.

5.3.7 Tangential use of moral climate concepts
In section 7, those contributions were included that use the term moral climate or similar terms in a tangential and/or uncritical manner, or in a way unrelated to current conceptualizations and terminology (for instance, Bell, 2003). For the most part, these contributions start from a very general evaluative meaning of ethical climate, distinguishing ethical climates from not-so ethical climates, without ethics theory to underpin and interpret findings and conclusions. This tangential character could have a proper reason for not discussing these contributions.
Another finding was that a number of contributions from practice - for instance, Bassett (2009), Dempster, Freakley, and Parry (2001), Dorasamy (2010), Drumm (2000), English (2008), Federwisch (2007), Murphy (1989), Oracle (2009), Seligson and Choi (2006), Teen, Teo, and Lander (2009), Verschoor (2004; 2005), Waring (2004a, 2004b), and Zipparo (2000) - are characterized by sloppy ethical vocabulary and inadequate theoretical foundations, as if authors were writing on a subject matter they are so unfamiliar with that even the most obvious literature on the subject is ignored.
Nevertheless, these and other contributions are included and discussed because they may shed

light on variables constituting moral climate configurations (Andreoli & Lefkowitz, 2008; Aquino, 1998; Ardichvili, Mitchell & Jondle, 2008; Banning, 1997; Bassett, 2009; Bell, 2003; Beu & Buckley, 2004; Brief, Dukerich, Brown & Brett, 1996; Caldwell & Moberg, 2007; Carroll, 1993; Chen, Sawyers & Williams, 1997; Collier, 1998; Corley, Minick, Elswick & Jacobs, 2005; Dempster, Freakley & Parry, 2001; Dorasamy, 2010; Douglas, Davidson & Schwartz, 2001; Drumm, 2000; Ede & Legosz, 2002; Ells, Downie & Kenny, 2002; English, 2008; Federwisch, 2007; Fleming, 1985; Ferrell, LeClair & Ferrell, 1997; Gebler, 2006; Gonzalez-Padron, Hult & Calantone, 2008; Grover & Enz, 2005; Herndon, Fraedrich & Yeh, 2001; Hoffman 1998; Jackall, 1984; Kerns, 2003; Luthar, DiBatista & Gautschi, 1997; McDaniel, 1998; Maclagan, 1996; McKendall & Wagner, 1997; Menzel, 1993; Morris, Schindehutte, Walton & Allen, 2002; Murphy, 1989; Musiime, Ntayi & Samuel, 2009; Near, Baucus & Micelli, 1993; Nelson & Donnellan, 2009; Nwachukwu and Vitell, 1997; Newton, Wingreen & Blanton, 2004; Ross & Robertson, 2000; Seligson & Choi, 2006; Silverman, 2000; Sinclair, 1993; Small, 2006; Smith, 2006; Stewart, Volpone, Avery & McKay, 2010; Stoner, 1989; Sweeney, Arnold & Pierce, 2010; Teen, Teo & Lander, 2009; Verbeke, Ouwerkerk & Peelen, 1996; Verbos, Gerard, Forshey, Harding & Miller, 2007; Verschoor, 2004; Verschoor, 2005; Vitell & Davis, 1990; Vitell, Rallapalli & Singhapakdi, 1993; Singhapakdi, 1993; Waring 2004a; Waring 2004b; Waters & Bird, 1987; Zipparo, 2000).

From the outset, many of these contributions are not especially meant as a contribution to moral climate theory as such. Some authors, for instance Bassett (2009), Grover and Enz (2005), Smith (2006), Verbos et al (2007), and Verschoor (2004) used both the term ethical climate and ethical culture without specifying their interrelation properly. Many authors use the ethical climate or ethical culture concept as an auxiliary theory, applied in an uncritical manner - as did Hoffman (1998), Waters and Bird (1987), Caldwell and Moberg (2007), Dempster, Freakley, and Parry (2001), Seligson & Choi, (2006), Dorasamy (2010), English (2008), Nwachukwu and Vitell (1997), Small (2006), Stewart et al (2010), Sweeney, Arnold & Pierce (2010), Luthar, DiBattista & Gautschi (1997), Murphy (1989), Musiime, Ntayi & Samuel (2009), or Menzel(1993) followed by Drumm (2000), and Ferrell, LeClair & Ferrell (1997), to mention only a few authors - or used in a simple ameliorative meaning (as did, for instance, Fleming, 1985, and Silverman, 2000, and, perhaps Jackall, 1984).
Still, though other authors do not use a moral climate concept, they do refer to something akin, as did Sinclair (1993) and Chen, Sawyers, and Williams (1997).

Therefore, the major merits of these contributions consist of identifying "connectivities" and auxiliary theories, from the perspective of moral climate theory, of suggesting alternative research methods taken from anthropology (Banning, 1997) and instruments such as the Ethics Environment Questionnaire of McDaniel (1998), used by Corley, Minick, Elswick & Jacobs (2005). Others suggested strategies and modes of intervention (Fleming, 1985; Kerns, 2003; Stoner, 1989; Zipparo, 2000), more in particular relation ethical aspects of culture with Total Quality Management techniques (Chen, Sawyers & Williams, 1997).
Some texts might as well have been included in the "alternative directions section" (for instance, Collier, 1998, or Verbos et al, 2007), but were included in the tangential section for not focusing

on alternatives in moral climate theory. Instead, they offer understandings that might benefit moral climate theory, as will be indicated below, but represent borderline cases, indeed. These publications deserve special attention while focusing on the positive side of ethical organizations.

From a *conceptual* and *typological* point of view, no clarification or scrutinizing of moral climate concepts had been taken place. Apart from the typology of Morris et al (2002, no typologies were constructed, and available typologies, notably the typology of Victor and Cullen, were used in an uncritical way, taking their assumptions for granted while ignoring parts of this typology (Ferrell, LeClair & Ferrell, 1997; Grover & Enz, 2005; Herndon, Fraedrich & Yeh, 2001; Morris et al, 2002; Musiime, Ntayi & Samuel, 2009).
Bell (2003) takes a position on her own while using the term moral atmosphere, however without any reference to Kohlberg's initial use of the term. In her words, organizational ethical climate is defined as the pervasive moral atmosphere of a social system, characterized by shared perceptions of right and wrong, as well as common assumptions about how moral concerns should be addressed. Ethical climate in organizations, as a product of the larger way in which an institution typically handles issues such as responsibility, accountability, communication, regulation, equity, trust, and the welfare of constituents (2003, 134).
Only few texts, notably those of Collier (1998) and Tenbrunsel, Smith-Crowe, and Umphress (2003) explicitly consider climate theory related to the respectively the ethical organization and the ethical infrastructure, the latter contribution suggesting that climate for ethics, justice and respect support formal and informal elements within the organization. As such, this contribution is one of the few that explicitly consists of structuralistic notions (taken from institutional theory). Many authors if not nearly all referred to moral climate in terms of a perceptions approach.
Collier's intention is to construct a framework linking ethical and organizational theory while using structuration theory, MacIntyre's notions of virtue ethics, Habermas' procedural and discourse ethics, and a narrative theory of organizations. As such, her approach can be helpful to get an explanatory grip on moral climate dynamics, but lacks practical relevance when demanding too much ethics in her proposal to take procedural ethics as the point of departure in business ethics practices compared to organizational tasks and assignments. In its essence, her contribution reveals a lack of knowledge about what really happens on the shop floor. Jackall (1984) takes a structuralistic stance, too, when identifying bureaucratic mechanisms causing a moral ethos filtering away moral issues while turning them into pragmatic ones, directed by leadership.

From an *empirical* perspective, both research variables and underlying theoretical constructs are of much more interest for moral climate theory than sloppy or uncritical notions of moral climate concepts, recognizing that authors using moral climate concepts and research instruments in an uncritical manner, not intending to contribute to moral climate theory. A special note can be made with respect to the contribution of Banning (1997) who suggested using methods borrowed from visual anthropology, as well as to the Ethics Environment Questionnaire of McDaniel (1998), both already mentioned. Furthermore, Verschoor (2004) gave an overview of methods to identify an organization's ethical climate from an internal audit

position, however, without defining ethical climate properly.
As a variable, moral climate was used in different positions (italics indicating a multiple variable design), presented in the table below.

Table 5.3.34 Type of variable in moral climate theory and research in tangential publications

type of variable	contributions
independent (*40*)	AL08, AQ98, AMJ08, BB04, BDB96, CL98, CM05, CM07, DDS01, EL02, EDK02, ENG08, FLF97, GE05, HFY01, MKW97, ML96, MUR89, NBM93, NV97, NWB04, OR09, RR00, SAP10, S&C06, SIP93, SMI06, STO89?, TTL09, TSU03, *VOP96*, VD90, VRS93, KE03 , ME93, VER04, VER05, WA04a, WA04b, WB87
dependent (*20*)	BAS09?; BE03; DFP01; DOR10; DRU00, FED07; FL85; GE06; HO98; RP02; LDB97?, MS02; ND09?, OR09? SIL00?, JA84, ME93; SMA06; VGF07
moderating (*3*)	GHC08; SV10; TSU03
mediating (*6*)	CSW97; MS02; MTWS09; SIN93; *VOP96*; ZIP00
unspecified (*1*)	MD98

Variables identified included moral imagination (CM07), corporate social responsibility (FLF97), misconduct, deviant behavior, corporate illegality (AL08; BB04; EL02, MKW97, NBM93, SAP01), lying (RR00), diversity (SV10), Machiavellianism (GE05; MS02; RR00; SIP93; VOP96), retaliation (NBM93), negotiation behavior (AQ98), (ethical) leadership (AMJ08; DDS01; DOR10; DRU00; FED07; FL85; GE06; JA84; ND09; SAP10; S&C06; TTL09; TSU03; VER05; VGF07; ZIP00), (personal) values (AMJ08; BDB96; KE03; ME93; ND09; NV97; VRS93), stakeholders and stakeholder theory (AMJ08; FL85; KE03), industry influences (CA93; FL85; MS02), superior and peer behavior (CA93; FL85; S&C06; ZIP00), formal organizational policy including HR policy (CA93; DDA01), organizational culture (GE06; GHC08; SIN93; STO89), marketing culture (MTS09), national culture (HO98); innovation (GHC08), purchasing outcomes (GHC08), organizational commitment (ENG08; HFY01; NWB04; TTL09; ZIP00), job satisfaction (EDK02; HFY01; NWB04; TTL09; VD90; ZIP00), moral distress (CM05) turnover or turnover intention (HFY01; NWB04; SV10; WA04a; ZIP00), lost time injuries and sick leave (WA04a; WA04b), person-organization fit (NBW04; VGF07), whistle blowing (NBM93), trust (RO02), health care issues and policies (EDK02), bureaucratic structure (JA84), public opinion (JA84), damage and claims from the public (WA04a; WA04b), customer loyalty (MTS09).
A special note can be made with regard to the contribution of Morris et al (2002) who focused on entrepreneurial organizations and their specific characteristics. Furthermore, they included firm- and industry-related questions into their research. On her turn, Bell (2003) considers ethical climate influenced by both geographical localization and profit/non-profit dimensions, and influencing ethical decision-making.

Auxiliary theories introduced and used to explain these variables were diversity theory (SV10) fractals theory (WA04a) stakeholder theory (AMJ08), value theory of Rokeach (BDB96; DDS01), moral imagination theory (CM07), moral intensity theory (DDS01; SAP10), criminology (MKW97), gender (LDG97; SAP10), theory on lying (RR00), Machiavellianism

theory (GE05; MS02; RR00; SIP93; VOP96), learning organization (GHC08; VGF07), organizational identity (VGF07), person-situation framework theory (RR00), corporate social responsibility (GHC08), commitment theory (HFY01; RP02), job satisfaction theory (HFY01; VD09), moral distress theory (CM05); trust theory (RP02), theory of organizational structure including control system (CL98; JA84; MKW97; VOP96), general organizational theory (SM06), Hofstede's theory of national cultures (HO98), theory of reasoned action of Ajzen & Fishbein (EL02), HR instruments (FL85), teaching (business) ethics (LDG97), theories of social structure (Homans, Merton) (ML96), marketing culture theory (MTS09), Total Quality Management (CSW97), structuration theory (Giddens) (CL98), theory on formal and informal subsystems embedded in large systems (JA84; TSU03), narrative theory of organizations (CL98),theories on political sociology and public opinion (DFP01; JA84), and Habermas' procedural and discourse ethics (CL98).

Evaluative notions are not absent (except for LDG97 and MD98), but rather taken for granted in terms of "more moral", "more ethical", or "less unethical", or "decrease of unethical behavior". Values-based approaches emphasize the degree in which values are present (BAS09; BE03; FED07; GE06; ND09; OR09; SM06; SMI06; STO89), whereas other authors simple promote a robust climate for ethics (English, 2008) or a strong ethical culture (VER05). That is, no strict evaluative criteria were used, let alone from a moral developmental perspective. Maclagan (1996) is an exception, using an explicit Kohlbergian frame of reference, though not translating it into a moral climate theory). Another exception is Collier (1998) who explains "more moral" in terms of a post-conventional discourse ethics (Habermas), as did Waters and Bird (1987), though in an inconsistent way. In one contribution, an allusion is made to some pragmatic-contingency criterion, however, without further explanation (Hoffman, 1998; Newton, Wingreen & Blanton, 2004). Sinclair (1993) advocates both a moral criterion and a pragmatic contingency, though without recognizing their troublesome relationship. Finally, Jackall (1984) seems to adopt a pragmatic contingency criterion, too, when implicitly suggesting that organizational ethos should meet the demands of public opinion. In the same vein, Menzel (1993) suggests that governmental organizations cannot operate without an orientation on bureaucratic rules, to prevent loss of legitimacy, whereas Hoffman (1998) discusses the fit of ethical orientation and national culture.

Finally, *interventional* notions were mostly prompted by an implicit action theory.

Table 5.3.35 Moral climate intervention in tangential publications

(1)HR-instruments

MAD: management development (*n=15*)	AL08; BB04; BDB96; CA93; DOR10; FL85; FLF97; GE05; ND09; SIL00; SM06; TTL09; VGF07; VOP96; ZIP00
ESE: employee selection (*n=9*)	CA93; DOR10; FL85; KE03; ND09; OR09; TTL09; VGF07; ZIP00
ESI: employee introduction (*n=2*)	FL85; STO89
ESO: employee socialization (*n=5*)	BDB96; CSW97; FL85; KE03; VGF07
EAP employee appraisal (*n=10*)	BAS09; CSW97; DOR10; FED07; KE03; ND09; OR09; SMI06; STO89; ZIP00
ERE employee rewarding (*n=17*)	BDB96; CA93; CM07; CSW97; GE05?; MS02; ND09; OR09; RR00; SIL00; SM06; SMI06; STO89; TTL09; VOP96; VGF07; ZIP00

EPD: employee punishment and disciplining (when violating ethics standards) (*n=9*)	CA93; DOR10; GE05; MS02; ND09; SM06; STO89; VGF07; ZIP00
ETR: ethics training (*n=28*)	BAS09; BDB96; CA93; CM05; CSW97; DDS01; DOR10; DRU00; FED07; FL85; LDG97; MKW97; ML96; MS02; MUR87; ND09; OR09; S&C06; SIL00; SIP93; SMI06; STO89; TTL09; TSU03; VER04; VER05; VGF07; ZIP00

(2) Desired behaviors (cultural interventions)

EMB: exemplary management behavior (*n=21*)	BAS09; CSW97; DOR10; DRU00; FED07; GE05; KE03; MS02; ND09; OR09; SAP10; S&C06; SM06; STO89; SV10; TTL09; VER04; VER05; VGF07; WB87; ZIP00
IOC: improvement of communication (about ethical issues) (*n=20*)	BAS09; CL98; CM07; CSW97; DRU00; EDK02; FED07; FL85; MKW97; MS02; ND09; RR00; SAP10; S&C06; SIL00; STO89; SV10; VOP96; WB87; ZIP00
COG: concrete guidance (in reducing unethical behavior) (*n=9*)	GE05; HFY01; ND09; RR00; S&C06; SV10; VD90; VGF07; WB87
FEI: focusing on ethical issues (*n=17*)	BAS09; CL98; DOR10; DRU00 EKD02; FED07; FL85; MKW97; MS02; ND09; SAP10; S&C06; SILl00; SV10; VD90; VER04; WB87
CFE: concern for employees (*n=3*)	CSW97; KE03; ZIP00

(3) Strategic and structural interventions

COE: code of ethics (*n=30*)	AL08; BAS09; BE03; BB04; BDB96; CA93; DDS01; DOR10; DRU00; FED07; FL85;GE05; KE03; MKW97; ML96; MS02; MUR87; ND09; NV97; OR09; SIL00; SIP93; SM06; SMI06; STO89; TTL09; TSU03;VER04; VER05; VGF07; ZIP00
EAR: ethics advocate role (*n=15*)	BE03; CA93; EDK02; FED07; L85; FLF97; MS02; ND09; OR09; SIL00; SM06; STO89; TTL09; TSU03; VER04; VER05
OAE: organizational ethical appraisal (audits/monitoring) (*n=1*)	MD987
POD: policy development, implementation and evaluation (*n=19*)	BAS09 CM07; CSW97; EDK02; FED07; FL85; FLF97; MKW97; MUR87; ND09; OR09; SIL00; SIP93; SMI06; SV10; TTL09; VER04; VOP96; ZIP00
EGV: evaluation of organizational goals and values (*n=6*)	BAS09; EDK02; FED07; ND09; SIL00; VER04
EPS: evaluation of organizational products and services (*n=6*)	BAS09; EDK02; FED07; ND09; FLF97; VER04
ORS: organizational restructuring (*n=4*)	FL85; MKW97; SIL00; TSU03
JOB: job description (n=0)	

(4) No explicit or unspecified suggestions for intervention (n=15)

CM05; DFP01; EL02; ENG08; GE06; GHC08; HO98; JA84; MC97; NWB04; RP02; SAP10; VRS93; WA04a/WA04b

About 75% of the publications offer suggestions for intervention (49 out of 65). Introducing and maintaining codes of ethics seems to be rather popular (n=30), as are ethics training (n=28) and exemplary management behavior (n=21), whereas employee introduction and socialization were hardly mentioned, and job description not at all. When taken together as employee sanctioning (positive and negative), employee rewarding and employee punishment are preferred (n=26, 17+9). As was concluded in the discussion of the Victor and Cullen part, also here, cultural interventions seem to overlap, not leading to definite conclusions. Only in limited instances, interventions of a more **structural** kind (that is, not aiming at individuals and their behaviors immediately but changing policies, formal and informal systems of communication, surveillance and sanctioning) were considered (BAS09; EDK02; FED07; FLF97; MKW97; MUR89; ND09; OR09; SIL00; SIP93; SMI06; SV10; TTL09; VER04; VOP96; TSU03; ZIP00). Only one author – Bassett (2009) – suggested participating in broader policy discussions and industry associations

– internationally, nationally, or locally – and bringing in an ethical dimension to these discussions when needed.
In nearly all instances, suggestions for intervention were neither climate-sensitive nor climate-specific, and, in a manner of speech, climate-neutral. One author – Maclagan (1996) – considered ethics training from cognitive moral developmental (Kohlbergian) point of view, while examining the ethics of ethics training as a reflection on (moral climate) intervention methods. Another author, Gebler (2006) suggested that formal program elements should reflect the culture in which they are deployed.
Because of these accents, moral climate intervention seems to be grounded on voluntaristic action-oriented notions rather than on structuralist determination-oriented notions, with Jackall (1984) as an exception.

A final note concerns a special category of these publications of a programmatic nature – mostly short ones – giving suggestions for interventions that help an organization get an ethical culture (mostly described in terms of values) (for instance, Bassett, 2009; Federwisch, 2007; Murphy, 1989; Nelson & Donnellan, 2009; Oracle, 2009; Smith 2006; Stoner, 1989; Teen, Teo & Lander, 2009; Verschoor, 2004; Waters & Bird, 1987; Zipparo, 2000). From a conceptual perspective, the concepts in use lack theoretical underpinnings in both ethical and climate/culture respect (for the latter respect, except Stoner, 1989 using Schein's culture theory freely). From an empirical point of view, there is no research base for suggestions made. Moral climate/ethical climate/ ethical culture is mostly taken as dependent variable. An explicit evaluative criterion is lacking, or is described in terms of 'more moral' (that is, more values being realized). Programs for intervention are rather ambitious if not naive and give managers/leaders an important role in setting the tone for ethics.

In sum, the merits of the tangential contributions to moral climate theory do no not concern the moral climate concept, but the introduction of other promising variables and auxiliary theories, notably instance criminology, the theory of reasoned action of Ajzen and Fishbein, whistle blowing theory, Machiavellianism theory, and the values theory of Rokeach.

5.4 Outcomes of foundational analysis

5.4.1 Introduction

In chapter 2, the methodology of foundational analysis was discussed and its steps outlined: material analysis (1), analysis of foundations (2), criticism of foundations (3), justification of foundations (4), and, if necessary and possible, recommendations for improvement (5).
In the previous sections, the material analysis took place through analyzing about 300 contributions to moral climate theory. At several occasions, foundations were analyzed and criticized and their justifications described and discussed. In the next sections, these foundations are arranged according to the five main issues making up the format of this study: conceptual, typological, empirical, evaluative, and interventional issues. However, since foundations can also be distinguished concerning the context, purpose, and relevance of the moral climate

contributions, this is the point of departure (5.4.2). Next, definition, concepts, typology, unit of analysis, dynamics are discussed according to their foundations (5.4.3). Foundations concerning research characteristics, types of variables, and connectivities are discussed (5.4.4). Finally, foundations concerning evaluative and interventions issues pass in revue (5.4.5).
One preliminary, pitiful remark should be made with regard to the positions regarding the foundations to be examined. Considered from the objectives of foundational analysis, the results are definitely disappointing. There are no fierce, blood-curdling debates fought out in journal columns between explicit positions concerning if only one of the issues discussed in the previous section. Nevertheless, these debates could have been taken place based on the positions reconstructed below, to be indicated only in brief terms at the absence of real debates, their developments, and outcomes. Instead, at times I refer to chapters 3 and 4 in which some of the foundations were described and discussed.

5.4.2 Context, purpose, and relevance

Concerning the context, purpose, and relevance of contributions to moral climate theory two positions emerge. One position, the explicit Kohlbergian position, considers moral climate (defined in terms of moral atmosphere) part of the just community approach as both a goal in itself and as functional to fostering democracy by creating morally mature citizens. The other position, in fact promoted by all other contributions, consider moral climate as functional construct, to explain immoral behavior of all sorts, and ultimately, advance the outcomes of the organizations in terms of products, services, and profits.

The discussion may circle around the question, whether it is the duty and task of any organization to develop employee morality, if possible in the direction of post-conventional morality. In order to sharpen this discussion, this question can be reversed and read in terms of the right to block employee moral development by the way labor is organized and managed.

5.4.3 Definition, concepts, typology, unit of analysis, dynamics

The scoring of concept names touches the point where the elements of the format enter the picture: conceptual and typological, empirical, evaluative, and interventional issues.

- *Concept names, definition, and use of typologies*

The concept of moral climate (as it is called in the present study), is labeled by many authors under a variety of names: ethical climate, moral culture, climate for ethics, climate for justice, moral atmosphere, and, of course, moral climate, too. Here, simply the frequency of concepts used is counted, while acknowledging that the same name does not denote the same phenomenon, nor that different names refer to different objects in reality. For instance, both the concepts of moral climate and ethical climate can be used in a descriptive and an evaluative meaning, to mention only one of the possible sources of misunderstanding.

Table 5.4.1: Concept names (n=±300))*

concept names	score	concept names	score
(organizational) ethical (work) climate**)	207	moral dimension of organizational culture	1
(organizational) ethical (business) culture	27	ethical corporate climate	1
(socio)moral atmosphere	21	corporate ethics culture	1
moral climate	8	stakeholder culture	1
moral ethos	6	cooperative corporate culture	1
(procedural) justice climate /context	5	ethical work environment	1
climate regarding ethics	3	ethical context	2
culture and ethics	2	organizational context for moral development	1
organizational ethos	1	ethical workplace culture	1
stages of organizational development	*1*	ethical infrastructure	1
stages of moral development of corporations	*1*	normative culture	1
organizational moral development	*2*	normative structure	1
corporate moral development	*1*	ethical organization	1
stages of corporate citizenship	*1*	ethical profile	1
stages of CSR development	*1*	moral organizational culture	1
ethical (content of) corporate culture	2	ethical organizational culture	1
organizational climate for wrongdoing	1	ethics environment	1

* the total sum of scores exceeds the number of publications as some authors use more than one concept name

**) the concepts of (organizational) ethical climate and (organizational) ethical work climate are taken together, since many authors these interchangeably without difference in meaning

These figures reveal that ethical (work) climate is the dominant concept name (used in about 73% of the moral climate contributions). Furthermore, the variety of concept names may point at a possible diversion within moral climate theory. The moral atmosphere concept is used within the Kohlbergian context of educational and correctional institutions, for the greater part. Some authors, notably Snell, shift concepts (from moral ethos, via moral climate to moral atmosphere). Other authors use moral climate and moral atmosphere interchangeably (obviously because of their meteorological connotations).
It should be noted that these scores tell nothing about the actual meanings and referents of terms. As was emphasized in chapter in the beetles and bugs part, the same term can refer to different phenomena in reality, whereas different terms can refer to the same phenomena. Especially concerning four issues, this becomes emergent: the attribute – perception issue concerning the "climate part" of a term, the precise meaning of "moral", the descriptive – evaluative issue concerning its "moral part", and the thin – thick description issues of types that make up typologies. Below, in subsequent paragraphs and sections, as well as in chapter 6, these issues will be resumed in more detail.

Concerning their foundations, a distinction can be made between foundations with regard to the *climate* part and with regard to the *ethics* part, respectively. Concerning the climate part, the majority of the contributions embrace an explicit perceptions approach, as do Victor and Cullen, and their many followers, inspired by publications of, notably, Schneider (1975). This perceptions approach is seldom scrutinized, instead taken for granted. Kohlberg and associates

also took a perceptions approach, but influenced by Durkheimian ideas, they sometimes incline to an attribute approach, though without notifying the conceptual and empirical implications of such a major conceptual shift.
Only a few authors (notably Treviño) consider the relationship between climate and culture, but not in a distinctive manner, that is, a manner reflecting the climate-culture controversy properly. For the most part, moral climate is taken as a part of an overarching concept of culture as either an aspect (descriptive) or a qualification (evaluative) of culture. In chapter 3, it was recognized that a perceptions approach has several advantages, but implies both ontological and epistemological difficulties that can be characterized by asking, "what are these perceptions perceptions of"? and "are these perceptions correct perceptions"? The answers point at both the inevitability of an attribute approach and the necessity of other research methodologies (from quantitative surveys to qualitative methods, preferably in combinations making triangulation possible, if carried out legitimately, see chapter 2, note 25).
Part of the climate element is the *unit of analysis* issue. No scoring has taken place, so have to be satisfied with some general impressions. In many instances, the entire organization is the unit of analysis, at the risk of asking people more than they can know. It even occurs than one informant of an organization is asked about the moral climate of that organization. In Kohlbergian research, it often is not clear whether the moral atmosphere of the classroom is examined or the moral atmosphere of the school. Only in a few instances, the idea of moral subclimates has been adopted and elaborated (for instance, Sinclair, 1993; Weber 1995; Weber & Seger, 2002). In future moral climate research, the unit of analysis should be well thought-out, and the possibility of formal and informal subclimates be cherished.

Concerning the "moral aspect", the basis of moral climate theory in Kohlbergian is recognized, misunderstood, neglected, or abandoned deliberately. For various reasons, the issue becomes rather complicated.

- The Kohlbergian paradigm is not spared of criticism. In particular, its rationalist foundations are questioned, and a more prominent role for moral awareness, moral intuition, and moral behavior is advocated. However, as we have argued in chapter 4, this does not affect the Kohlbergian basis of moral climate theory. The role of emotions and intuitions does not hinder the existence of moral climate types as dominant styles of moral position taking. Intuition (explained as pattern recognition) may play an important role in the functioning of a moral climate, when organizational members recognize the dominant patterns or moral argumentation intuitively and act upon it, and explain in reflection or retrospection how this pattern affects their moral behavior.
- Kohlbergian theory has difficulties with the organizational perspective, eventually leading to the introduction of Stage 3/4, recognized and elaborated by Snell (and even notified by Kohlberg and Higgins themselves). The same difficulty was not resolved in a satisfying manner by Victor and Cullen, while leading to an inadequate conceptualization of the organizational locus of analysis.
- Several authors, notably Victor and Cullen, hold that they use Kohlbergian theory (often completed with elements of caring) and construct an ethical climate typology that is said to

parallel the Kohlbergian framework and levels of moral development. However, a closer look at the typology of Victor and Cullen reveals an inadequate representation of strategies of moral position taking, apart from the inadequate selection and description of loci of analysis.

Despite these differences, the basic structure of loci of analysis and ethical decision criteria is kept up as the major and unchallenged foundation of the moral climate theory of Kohlberg and associates and the ethical climate theory of Victor and Cullen. This basic structure may be the framework of a moral climate typology.

Other authors abandoned the Kohlbergian paradigm, and for the greater part replaced in by an unmarked ethics component, at best reflecting moral values, and in the worst case using an unarticulated or unspecified concept of morality.

In sum, the research material shows a moving away from the initial Kohlbergian premises, without fruitful alternatives made available. In the next chapter, the position is advocated that there is no decisive reason to abandon the Kohlbergian paradigm as the major foundation of moral climate theory, though is it recognized that a small number of amendments is useful. In a joint movement, the preference for the term "moral climate" is explained.

Concerning typological issues, there is distinction between authors using moral climate concepts descriptively, those using it in an evaluative sense, and those not minding the difference. Despite the about 300 publications, there are no 300 moral climate typologies. In fact, there are very few typologies, much less than expected.

The Kohlbergian paradigm (section 1) does not provide us with a clear-cut typology, though the stages of moral development could have serving as the framework of a - possibly complex - typology.

The nine contributions collected in section 2 present a more scattered image. Lavoie and Culbert (1978) combine Kohlberg's stage theory with Torbert's (1974) model that describes the natural evolutionary stages through which organizations may progress and specifies the successively superior mentalities characterizing each stage of progression. Here too, no moral climate typology has been constructed. Also starting from Kohlbergian premises, Reidenbach and Robin offer a typology of organizations, including Stage 1: the amoral organization, Stage 2: the legalistic organization, Stage 3: the responsive organization, Stage 4: the emerging ethical organization, and Stage 5: the ethical organization, in which description and evaluation are taken together because of the developmental character of their stage typology. Sridhar and Camburn (1993) maintained the Kohlbergian developmental character, but did not translate it into a climate typology. Also inspired by Kohlberg, Petrick, Manning, Pullins, and Wagley (1990; 1992) constructed a stage typology, analogous to individual development, consisting of the following stages: (1) social Darwinism, (2) Machiavellianism, (3) popular conformity, (4) allegiance to authority, (5) democratic participation, and (6) organizational integrity (both descriptive and evaluative). Logsdon and Yuthas (1997) also depart from Kohlbergian premises, while giving stage descriptions concerning organizational morality, analogous to individual cognitive moral development, while relating it to stakeholder orientations. Though these authors did not bill their stage descriptions as a typology, it could have been considered so. Mirvis and Googins (2006)

describe five stages of corporate citizenship in terms of citizenship concept, strategic intent, leadership, structure, issues management, stakeholder relationship, and transparency: stage 1: elementary, stage 2: engaged, stage 3: innovative, stage 4: integrated, and stage 5: transforming (both descriptive and evaluative). These stages are not meant as a typology of organizations, but may perform this function appropriately. Finally, Maon, Lindgreen, and Swaen (2010) describe organizational stages and cultural phases using a stakeholder culture typology, taken from Jones, Felps, and Bigley (2007), specified hereafter. The most of these (assumed) typologies refer to Kohlbergian origins as their foundations, though mostly uncritically.

Section 3, devoted to Snell's elaboration of Kohlberg's developmental theory, initially offers a typology of six moral ethos types, corresponding to the six stages of development of individual reasoning capacity (1993, 85): Stage 1: fear-ridden, Stage 2: advantage-driven, Stage 3: members only, Stage 4: regulated, Stage 5: quality-seeking, and Stage 6: soul-searching. These stages are described in terms of the following parameters: tightness and tone, deference to hierarchy and positional abuse, spread of trust and dependence on allegiance, regulatory formalization and degree of adherence, respect for dignity and intensity of political stakes, concentration of power and need for stability, breadth of constituency and openness to criticism, demands on loyalty and developmental openness. In a subsequent publication based on an enhanced understanding of Kohlberg's stage theory, Snell (2000) offers a new typology based on terms denoting the criteria of moral reasoning. This typology includes stage 6: meta-empathy, community of moral enquiry, improving traditions; stage 5: stewardship, social responsibility and concern for well-being and just treatment; stage 4: social system and conscience maintenance; stage 3/4: institutional conformity; stage 3: interpersonal approval; stage 2: instrumentality; stage 1: coercion, obedience and punishment. Here too, the Kohlbergian framework is maintained as the main foundation of the typology, albeit in an adapted form.

Section 4 shows the supremacy of the typological model of Victor and Cullen and its many adaptations, proposed because of research results or out of theoretical considerations. The initial model includes the following framework and moral climate types:

ethical criterion↓ locus→	individual	local	cosmopolitan
egoism	self-interest	company interest	efficiency
benevolence	friendship	team play	social responsibility
principle	personal morality	rules and procedures	law / professional code

It is tempting to make a distinction between those authors using the typology of Victor and Cullen in a straightforward manner and those using an adapted format. However, since Victor and Cullen themselves make a distinction between an theoretical typology and an empirically found typology, making the distinction straightforward – adapted is both very complicated to elaborate and simple in its conclusions: most authors use the typology in a form adapted from the theoretical model. Its foundations are both clear and inadequate, for not including current ethical criteria while misrepresenting others, and for not conceptualizing the organizational locus of analysis in a practical useful manner. Moreover, since it abandons much of its alleged

Kohlbergian foundations, a simple descriptive, non-developmental model remains, without criteria for moral climate evaluation and suggestions for moral climate intervention. Here, an obvious divergence from Kohlbergian theory becomes apparent without offering a sound alternative.

In section 5, Trevinõ and associates and followers rely increasingly on the typology of Victor and Cullen, while distinguishing (1) ethical environment climate; (2) employee-focused climate; (3) community-focused climate; (4) obedience to authority; (5) self-interest climate; (6) efficiency climate; (7) rules and procedures climate; (8) personal ethics climate; (9) law and professional codes climate (Treviño, Butterfield & McCabe, 1998). Other contributors included in this section did not deliver a moral climate typology.

The alternative directions section 6 contains two moral climate typologies. In their typology, Liao and Rupp (2005) distinguished six (badly defined) types of justice climate, including (1) organization-focused procedural justice climate; (2) supervisor-focused procedural justice climate; (3) organization-focused informational justice climate; (4) supervisor-focused informational justice climate; (5) organization-focused interpersonal justice climate; (6) supervisor-focused interpersonal justice climate. Jones, Felps, and Bigley (2007) describe five stakeholder cultures, termed agency, corporate egoist, instrumentalist, moralist, and altruist, and explain how these cultures lie on a continuum, ranging from individually self-interested (agency culture) to fully other-regarding (altruist culture).
Finally, the tangential section 7 does not contain moral climate typologies. This is easy to understand since authors in this section, while using moral climate concepts in both a taken-for-granted and evaluative meaning, usually do not construct a typology because there are no variables with which a typology can be constructed. Instead, these authors arrange actual moral climates according to a continuum from less to more moral (or from unethical to ethical).
In sum, there are relatively few typologies, with a dominance of the descriptive typology of Victor and Cullen including its many adaptations (n=126), and some other typologies used only by the inventors themselves and an incidental follower. Where does this exercise take us in terms of foundations and debates between positions? On the climate side, a debate could be constructed between two positions, one favoring a perceptions approach, the other favoring an attribute approach. The question then would be whether these two position do or do not refer to different conceptualizations of moral climate (real versus perceived). At least, the ontological status of moral climate (perception or attribute) may have consequences for research strategies, methods, and instruments. On the moral side, a foundational debate can be imagined between the position favoring a Kohlbergian cognitive developmental view on ethics and the position who simply consider moral climate in terms of moral values without a development signature. Across these hypothetical debates, another issue is at stake, namely the descriptive – evaluative issue. The Kohlbergian paradigm is both descriptive and evaluative, dictated by its developmental nature. The more or less moral perspective would be mainly evaluative. A third category is descriptive only, in particular the typology of Victor and Cullen, lacking an explicit evaluative component.

None of the moral climate typologies provided thick descriptions of moral climate types. Only Snell (1993; 2000) offers more than simple thin descriptions, but these descriptions refer mainly to elaborations of the moral aspect of his moral climate theory, and do not include explicit references to antecedents and consequences of moral climate types that could have been defining characteristics formulated in thick descriptions. A hypothetical debate could be imagined between those authors favoring thick descriptions and those authors being satisfied with thin descriptions.

In subsection 5.4.4, we will examine opportunities to enrich thin descriptions with connecting variables on both the antecedents and the consequences sides. These opportunities may also throw more light on moral climate *dynamics*. Many authors have adopted a static view of moral climate, considered it as fixed identity without mechanism of formation, maintaining, change, development, or decline.
In subsection 5.4.5, we also will consider suggestions for moral climate intervention, and examine whether these suggestions reveal implicit foundations concerning moral climate dynamics.

5.4.4 Research characteristics, types of variables, and connectivities

Appropriate conceptualization is a prerequisite for decisions concerning empirical issues, for instance regarding design, strategy, methods, instruments, and data processing and analysis (as was pictured in Babbie's research model represented in chapter 1). Overall, the findings concerning the quality of empirical features of moral climate research match the conclusions of Randall and Gibson (1990) concerning business ethics research. Nevertheless, despite inadequate conceptualization, some findings can be examined with greater scrutiny[108].
In terms of design, the type of variable moral climate is can be scored. As was discussed in chapter 2, moral climate can be the dependent variable, the independent variable, or an intervening variable, either a moderator or a mediator

Table 5.4.2 shows the scores of moral climate as a variable (as far it could be determined, n=284). In some instances, variables are scored diverging from an author's formulation, notably when mediators are mistaken for moderators, or vice versa.

Table 5.4.2 classification of variables

type of variable	scores per section								
	1	2	3	4	5	6	7	sum	%
independent	13	0	3	74	10	19	37	156	54.9%
dependent	0	8	2	29	0	9	17	65	22.9%
moderating	0	0	0	3	1	1	2	7	2.5%
mediating	13	0	1	6	1	12	4	37	13.0%
composite	1	0	1	8	1	4	4	19	6.7%

Though the contributions to section 2 predominantly consider moral climate as the dependent variable, the greater part of the scores reveal a preference for considering moral climate as the independent variable. This is no surprise when we keep in mind that much moral climate

research is of the functional kind, aiming at detecting links with outcome variables such as job satisfaction, commitment, or unethical behavior. In far less instances, moral climate is considered as a dependent variable. Though these scores seem clear-cut, they should be understood with care. There may be some bias in the scores and their meaning. Authors indicating that moral climate is both an independent and a dependent variable, may in fact consider moral climate as a mediator and a moderator. It should be noted that a substantial part of the authors using moral climate as a mediator, fall into the Kohlbergian section (moral climate as mediating between individual moral competence and performance). Furthermore, the constituting parts of the composite designs are not included in the single variable categories. Composite designs can be found in AS07 (i/d/mo), BT06 (d/mo), BHB03 (i/me), GT10 (i/d), JDA04 (d/i), LS01 (i/mo), MC06 (d/i), ME83 (i/d), MS02 (d/me), OL95 (i/d), OL98 (i/d), OL02 (i/d), SN93 (i/me), TSU03 (i/mo), TS04 (d/i/me), VOP96 (i/me), WS02 (d/i), WS97a (d/i), and WOB96 (i/d). Including these scores separately into the classification, does not impact the relative frequencies significantly, apart from a little higher frequency of moral climate as a moderator[109].
More informative would be to consider the contents of the other variables that are connected with moral climate, either as antecedents or as consequences (outcome variables). When moral climate or a similar term is the dependent variable, it is indicated, which variables serve as the independent variables (for instance, national culture, type of competition, branch regulations, organizational strategy, production technology, organizational structure, organizational culture) and which variables serve as intervening variables (if indicated). When moral climate or a similar term is the independent variable, it is indicated, which variables serve as the dependent variables (for instance, unethical behavior, job satisfaction, turnover, productivity, commitment) and which variables are intervening variables (if indicated) (for instance, leadership). When moral climate or a similar term is an intervening variable, the other variables need to be specified between which moral climate is intervening. If possible, the kind of the intervening variable – moderator or mediator – is specified.

Since many authors connect their research hypotheses with other bodies of knowledge used as a (additional) connecting theoretical framework, these "connectivities" are specified, mostly in relation with the variables examined in order to indicate the rhizome-like character of the moral climate concept. Tables 5.4.3a and 5.4.3b show the antecedents and consequences of moral climate, as well as theoretical "connectivities". Please note that in these tables those antecedent, consequences, and "connectivities" are included that are mentioned in studies using moral climate as an intervening variable, either as a mediator or as a moderator. That is, those variables are listed between which moral climate is mediating and which variable(s) moral climate is moderating.

*Table 5.4.3a Moral climate as a dependent variable: antecedents**)

antecedent variables	scores per section							
	1	**2**	**3**	**4**	**5**	**6**	**7**	**sum**
community values and norms/legislation	1	4	1	4	-	-	-	10
national culture	2	1	-	6	-	1	1	11
socioeconomic influences	-	1	-	2	-	1	-	4
organizational environment	-	2	-	6	3	3	-	14

geographical location	-	-	-	-	-	1	1	2
marketing culture	-	-	-	-	-	-	1	1
business type/type of industry	-	2	1	4	-	-	3	10
technical processes	-	-	-	-	-	2	-	2
profit/non profit	-	-	-	-	-	-	1	1
strategic/managerial orientation/policy	-	3	-	1	-	4	2	10
stakeholder devices/relations*)	-	-	-	4	-	1	5	10
organizational interaction patterns	1	1	-	3	-	1	-	6
organizational history/age/founders' influence	-	2	-	4	-	1	-	7
firm newness/ entrepreneurship	-	-	-	1	-	-	-	1
firm specific factors	-	1	-	1	-	1	-	2
form/structure/size/departmental tasks	1	3	-	15	-	6	1	**26**
working conditions	-	-	1	-	-	1	-	2
reward mechanisms/incentives	-	1	-	-	-	2	-	3
labor relationships	-	-	-	1	-	-	-	1
(ethical) leadership style	3	3	3	12	1	11	9	**42**
family/non family enterprise	-	-	-	2	-	-	-	2
ownership structure	-	-	-	1	-	-	-	1
corporate social performance	-	-	-	1	-	-	-	1
organizational culture/core values	-	1	3	4	-	5	1	14
ethics programs (enforcement)	-	-	-	-	1	3	-	4
ethnic diversity	-	-	-	1	-	1	1	3
moral intensity of ethical issues	-	-	-	2	-	1	-	2
demographic characteristics**)	9	2	-	5	-	6	12	**34**

*) Including public opinion and damage claims from the public.

**) These include individual level of cognitive moral development, Machiavellianism, and personal values, tenure, gender, educational level, tenure, code of ethics, decision-making style, dilemmas dealing with peers and superiors.

This table shows a clear dominance of the impact of leadership style and management behavior (n=42) when it comes down to factors affecting moral climate. Another influencing factor consists of demographic characteristics, in particular individual stage of cognitive moral development, and personal values. This may hint at an action-oriented point of view, such that characteristics of individuals may affect phenomena at the organizational level, notably moral climate. Two other clusters of variables emerge from the table. The first cluster consists of environmental variables, including community values and norms/legislation, national culture, socioeconomic influences, organizational environment, and geographical location (n=40, when taken together). The second cluster considers organizational variables, including unspecified firm specific factors, form/structure/size/departmental tasks, working conditions, and reward mechanisms and incentives. When we add organizational culture/core values, the total amount of scores within this cluster is even higher (n=47). Only one author considers the impact of technological processes (Cohen, 1995; 1998), yet not unimportant when we realize that these processes can indeed have an enormous impact on employees' moral reasoning. The moral intensity of ethical issues (in fact the type of ethical issues one is faced with) and ethnicity Lemmergaard, 2004) are variables that may appear to be underestimated concerning their impact on moral climate.

*Table 5.4.3b moral climate as an independent variable: consequences *)*

consequent variables	scores per section							
	1	**2**	**3**	**4**	**5**	**6**	**7**	**sum**
job satisfaction	-	-	-	14	-	9	6	**29**
employee and work/job attitudes	-	-	-	2	1	3	-	6
psychological/moral (dis)stress/well-being	-	-	-	2	-	9	1	**12**
organizational commitment	-	-	-	23	1	7	5	**36**
turnover (intention)	-	-	-	3	-	8	4	**15**
trust	-	-	-	4	-	3	1	8
spirituality	-	-	-	1	-	-	-	1
(ethical) decision-making/moral reasoning	11	-	-	6	3	2	-	**22**
moral awareness/sensitivity/imagination	2	-	-	2	-	3	1	8
person-organization fit	-	-	-	2	-	2	2	7
leadership style	-	-	-	4	-	-	7	11
managerial success	-	-	-	3	-	-	-	3
communication	-	-	-	1	-	-	-	1
risk-taking propensity	-	-	-	1	-	-	-	1
organizational/job performance*)	-	-	-	5	-	8	2	**15**
behavioral intentions**)	12	-	1	15	9	12	1	**50**
unethical/deviant workplace behavior***)	1	-	-	26	10	6	9	**52**
whistle blowing	-	-	-	2	-	-	1	3
organizational socialization	-	-	-	1	-	1	-	2
career success	-	-	-	1	-	-	-	1
effect of codes	-	-	-	2	-	-	-	2
innovation	-	-	-	1	-	-	1	2
organizational learning	-	-	2	-	-	-	-	2
culture	-	-	-	-	-	2	-	2
subclimates	-	-	-	1	-	-	-	1

*) Including customer orientation, behavior toward customers, customer loyalty and satisfaction, hospitality behavior, purchasing outcomes and covental relations

**) Including individual moral behavior, ethical behavior, personal justice norms, safety enhancing behaviors, helping behavior and corporate/organizational citizenship behavior.

***) This category includes misconduct (such as bullying, work absence/sick leave, lost time injuries, misleading, lying, software piracy), Machiavellianism, transgressive behaviors, deviant workplace behavior, dysfunctional behavior, ethical problems (including professional-organization conflict), and poor output quality.

This table offers a clear picture of those outcome variables considered most important. Four important clusters emerge from this picture.

- The first cluster considers moral competence including moral reasoning, moral development, moral imagination/moral sensitivity/moral awareness (n=30). Not so startlingly, this type can be found in Kohlbergian publications, since is the aim of moral climate to enhance moral competence.
- Even more significant is the second cluster, focusing in behavioral intentions and other positive outcomes (organizational and job performance) (n=66, when taken together).
- On the negative side, the third cluster consists of unethical, deviant, or dysfunctional workplace behavior of all kinds as outcome variables (n=52).
- The fourth cluster includes job satisfaction and other employee and work/job attitudes (n=35 when added), (organizational) commitment (n=36), role stress, moral distress, psychological stress, and lack of well-being (n=12), and turnover (intention) (n=15).

When taken together, these employee related variables make up the largest category of output variables (n=98).

Interestingly, leadership is also considered as an output variable (n=11). This may indicate that leaders are not only considered as culprits and the villains of the moral climate piece, but also as affected by moral climate, possibly victims. Underestimated may be is the impact of moral climate on organizational learning and innovation (n=4). In times of rapid developments, the relation between moral climate and innovative power and learning capacities may be worth examining.

Not surprisingly, the tables show that the contributions to section 2 - while considering moral climate as an output variable - focus on antecedents influencing corporate moral development, in either a positive or a negative manner, and ignore consequences of moral climate. The general impression is that despite the preference for considering moral climate as the independent variable, there is a slightly increasing interest in moral climate antecedents. In order to promote this tendency, a shift in foundations may be necessary from a functional approach of moral climate to an explaining approach, explaining moral climate, types, profiles, and configurations from antecedent conditions, eventually necessary to understand the consequences of moral climate in a more fundamental manner. Recent research contributions to moral climate theory (with scientific rather than practical purposes) show a tendency to more complex research designs, for instance by using moral climate as mediator between antecedent and consequent variables. However, the complexity manifests itself even more in including more variables into the research project to test causal relations, notably at the consequences side (for instance, considering job satisfaction, turnover, commitment, unethical behavior, and psychological well-being in the same design), made possible by more sophisticated methods for data analysis (ANOVA, LISREL, SEM).

The general suggestion would be to investigate antecedents of moral climate instead of examining consequences of moral climate that show to be aspects of it rather.

In sum, these tables show a wide variety of antecedents and consequences that are elucidated in research with auxiliary theoretical connections that eventually may help constructing thick descriptions of moral climate types, in particular when certain antecedents and consequences turn out to be defining characteristics of moral climate, moral climate profiles, and moral climate configurations, and ingredients of the moral climate rhizome. Next to theory elucidating antecedent and consequent variables, a variety of theories is listed alphabetically (not scored) to explain the moral climate phenomena.

No scoring of frequencies of theory use has taken place. The table below reflects the preference for considering moral climate as independent variable, most connectivities illuminating outcome variables. Furthermore, a superficial glance at Appendix 3 reveals that - apart from theories connected to frequently examined variables (unethical behavior, commitment, leadership, and job satisfaction) - stakeholder theory, moral intensity theory, theory of reasoned action/planned behavior (Fishbein & Ajzen), social learning, Machiavellianism, locus of control theory (Rotter), social learning (Bandura), group dynamics, organizational theory would be are promising connectivities. Of interests are bodies of knowledge that are (virtually) ignored, notably theories

from the domain of political economy and concerning macro-cultures (of branches of industry) on the antecedent side, and organizational learning and psychoanalysis at the output side. These present and future connectivities can be used to construct thick descriptions of moral climate types, profiles, and configurations, while being possible parts of the moral climate rhizome.

Table 5.4.4 Connectivities

antecedents	consequences	methodological characteristics
bureaucratic structure Chinese culture climate/culture cognitive moral development (Piaget) correctional intervention programs corporate governance corporate social performance Dewey's educational theory Durkheimian moral theory entrepreneurship (ethical) (servant) leadership ethics of banking organizations family enterprise gender general organizational theory (general) systems theory grid groups group dynamics hidden curriculum industry influences institutional theory (Granovetter) intellectual safety just community theory marketing culture moral self complexity theory national culture (e.g., Hofstede) new public management organizational contingency organizational development organizational life cycle organizational policy (including HR) organizational structure (Mintzberg) organizational task setting (Thompson) ownership structure Philippines culture profit versus non-profit organizations private versus public organizations Russian political culture school climate theory social structure (Homans; Merton) sociology (Tönnies) stakeholders stakeholder culture Taiwanese culture transaction cost theory typology of organizations (Ouchi)	anomie ASA-theory (Schein) codes of ethical conduct cognitive dissonance communication in organizations corporate social responsibility criminology customer loyalty deviant workplace behavior differential association discourse ethics (Habermas) disequilibrium theory emotional intelligence (ethical) decision-making ethics and values (Rokeach) ethnic diversity exchange and gifts fractals hospitality information and librarian ethics innovation integrity job satisfaction learning organization locus of control theory (Rotter) lying Machiavellianism moral awareness/sensitivity moral imagination moral intensity of issues moral (dis)stress/role stress negotiation behavior organizational citizenship organizational commitment organizational identity organizational justice personal consistency person-organization framework political sociology positive psychology procedural justice pro-social behavior psychological contract public opinion quality culture/TQM planned/reasoned action (Ajzen) professional-organization relationship	aggregation climate strength co-citation analysis *Defining Issues Test* laboratory experiment meta-analysis *Moral Judgment Interview* narrative organizational theory social desirability in research structural equation modeling structuration theory (Giddens) visual anthropology (consequences continued) retaliation risk-taking propensity role set configuration safety culture/behavior self-efficacy small business/firms social learning (Bandura) software piracy spirituality sports ethics symbolic interactionism team functioning trust turnover (intention) whistle blowing

As to research *design* (decisions concerning sample population and sample size), samples are not

always well chosen (students, leading to problems of generalization), badly distributed (leading to elite bias (for instance, DB09/DBM10) and other types of bias, or simply too small (quite often, moral climate research surpasses the minimum of 100 subjects, in the extreme case using one respondent per organization).

In terms of research *strategies* and *methods*, a perceptions approach of moral climate suggests conducting quantitative research, that is, surveys with questionnaires trying to identify moral climate perceptions. Only very rarely, interviews are used (apart from the item constructing phase of quantitative research) (for instance, BBR00, DFP01, FLF97, JA84, KEY08, MT99), or even analysis of physical artifacts (BAN97). Especially, in Kohlbergian research, interviews were used to assess individual level of cognitive moral development, either in classical Kohlbergian fashion (*Moral Judgment Interview)* or using the *Defining Issues Test* of Rest. In Kohlbergian research, participant observation is used too, in analyzing classroom discussion in order to identify moral atmosphere features. In terms of foundations, quantitative strategies outweigh qualitative strategies to a large degree. Future development of other concepts of moral climate theory may benefit from qualitative strategies, or even better, triangulation of research strategies and methods in order to grasp the essentials of moral climate.

When using questionnaires, several research instruments were implemented, foremost the *Ethical Climate Questionnaire* (ECQ) of Victor and Cullen (in its several manifestations). Other authors used the *Hospital Ethics Climate Survey* (HECS) of Olson (Olson, 1995; Olson,1998; Bahcecik & Oztürk, 2003), the *Moral Ethos Questionnaire* (MEQ) (Snell, Chak & Taylor, 1996), the *Moral Climate Questionnaire* (MCQ) (Snell, Taylor, Chu & Drummond, 1999), the Ethical Culture Questionnaire (ECQ) (Treviño, Butterfield & McCabe, 1998; Ampofo et al, 2004), the *Corporate Ethical Virtues Model* (Kaptein, 2008; Kaptein, 2009), the *Ethics Environment Questionnaire* (EEQ) (McDaniel, 1998), the *Integrity Audit* (Bell, 2003), the (*Elementary School*) *Ethical Climate Index* (ECI) of Schulte and associates, the *Corporate Ethics Scale* (CEP) (Douglas, Davidson & Schwartz, 2001), an unnamed seven-item scale developed by Schwepker and associates to investigate ethical climate among the sales force, and several other unnamed questionnaires unavailable for closer examination. Other variables were tested through questionnaires as well, for instance the *Minnesota Satisfaction Questionnaire*, the *Organizational Commitment Questionnaire*, *the Leaders Behavior Description Questionnaire,* the *Ethics Position Questionnaire*, the *Defining Issues Test* (DIT), Kohlberg's *Standard Moral Interview/Moral Judgment Interview,* the *Moral Distress Scale*, the *Ethics Compliance Survey,* the *Ethical Effectiveness Quick Test.* Finally, there were Machiavellianism tests, unethical behavior questionnaires, and questionnaires measuring risk-taking propensity (Saini & Martin, 2009).

With respect to foundations of moral climate research, conclusions are clear and unequivocal. Due to its functional nature, consequences of moral climate are rather examined than its antecedents. In its mainstream, research is quantitatively uses questionnaires to measure perceptions of moral climate and other variables (job satisfaction, unethical behavior, moral distress, and/or organizational commitment).

5.4.5 Moral climate evaluation and intervention

As was introduced in chapter 1 and discussed in the chapters 3 and 4, moral climate can be evaluated according to two types of criteria, labeled the troublesome twin:
- a moral developmental criterion: climate N +1 is morally better than climate N -,
- a pragmatic contingency criterion:- the moral climate profile or configuration of an organization (or its formal or informal subsystem) should fit its tasks and assignments in order for the organization to survive (as necessary moral competence and moral performance alike).

For each contribution, it has been determined whether and how moral climate evaluation has been taken place, and whether the conflicting relationship between the two types of criteria has been recognized and properly dealt with. Some authors simply use the term "more moral" as the criterion for moral climate evaluation, whereas others did not use any criterion for moral climate evaluation. Still other authors simply referred to some fit between moral climate and stage of moral reasoning among the workforce, or to some other fit other than from contingency criteria. These possibilities are listed in Appendix 4 and summarized in table 5.4.4 below.

Table 5.4.5 Use of criteria for moral climate evaluation

	criterion for moral climate evaluation	scores per section							
		1	**2**	**3**	**4**	**5**	**6**	**7**	**sum**
MD	moral developmental criterion	22	9	7	10*)	1	0	1	50
PC	pragmatic contingency criterion	4	2	0	31*)	3	0	7	40
MM	more moral **)	3	2	2	76*)	11	38	46	178
EF	ethical fit	0	1	0	10*)	0	9	4	24
NE	no evaluation of moral climate	0	0	0	22	1	4	6	33
MC	multiple criteria	7	4	0	10	3	5	8	37

*) including interpretations of implicitly formulated criteria

**) including formulations such as more positive, more ethical, higher in ethics

The table refers that most authors prefer a more moral perspective. When taken together, the moral criteria (MD+ MM=228) outweigh the contingency criteria (PC+EF=64). When we exclude the developmental section 1, 2, and 3, the picture becomes slightly different, only 12 of the remaining publications in sections 4-7 use a moral developmental criterion. Furthermore, scoring of criteria for moral climate intervention has some difficulties concerning the identification of criteria and their foundations. Since more than one criterion can be mentioned in one publication, the total number of scores exceeds the number of contributions. Furthermore, some authors used implicitly formulated criteria asking for interpretation. For instance, some authors use the more moral criterion, while departing from a cognitive moral developmental framework. Their use of "more moral" in interpreted in a developmental way. Other authors used multiple criteria, while not always recognizing the inherent tension between criteria, especially between moral developmental criteria on the one hand, and the pragmatic contingency and the ethical fit criteria on the other hand.

It is no surprise that in the developmental sections 1 and 2, the moral developmental criterion is used predominantly, sometimes completed with a pragmatic contingency criterion. The other sections offer a more diverse picture of moral climate evaluation criteria. It can be expected that those publications that rely on Kohlberg's theory of individual cognitive moral development, the

moral developmental criterion is used (SN03; VS01). In those publications having climate or culture theory as their point of department, a more functionally oriented evaluative stance can be expected, though not only in terms of a contingency theory or a configurational approach (n=40) but also in terms of some ethical fit (n=21).
In only a few publications (n=33), the issue of the "troublesome twin criteria" was recognized as an issue to deal with. To be sure, no fierce discussion took place between the positions making up this troublesome set (MD versus PC/EF). In chapter 4, these criteria and their inherent tension was discussed, while solutions were proposed to deal with this tension.
Especially, those contributions are of interest in which the inherent tension between these twin criteria occurs, four in section 1 (HIG95; LO95; PHK89; RP80), three in section 2 (MLS10; PM90; RR91), zero in section 3, and ten in section 4 (AM99; BCF08; EBW07; GT10; KFL01; LMG04; MAR08; SK94; SK97; TH08). In section 5 (the Treviño section), three contributions refer to both sets of criteria (TR90; TN95/07). In section 6 (the alternative directions section), five contributions referred to both sets of criteria (CH95; CH98; SCH01; SG07; SH05), whereas in the tangential section 7, eight publications referred to both sets of criteria (DOR10; ENG08; HO98; ME93; OR09; SIN93; WA04a; WA04b). All these authors advocate morality, though with the morality required to perform organizational tasks and assignments, national culture, and fundamental corporate values as the limiting level, in all cases without thorough discussion[110].
Concerning its foundations, moral climate evaluation shows a tendency to abandon moral developmental criteria, as an aspect of the tendency to move away from the Kohlbergian paradigm. The alternative, a more moral alternative, falls short because of underarticulated conception of morality. The pragmatic contingency and ethical fit approaches matching the functional approach of climate and culture are underarticulated as well. The troublesome twin issue as the results of conflicting foundations of moral climate (evaluation) is sometimes hinted at, but not explored, let alone resolved, instead ignored by many authors, possible unaware of the issue.

Moral climate *intervention* proposals cannot but reflect positions in the system-action debate. In many cases, the choice is made for intervening at the people level, thus applying a new, if possible, advanced personnel concept. Ethics training, management development, introducing and implementing a code ethics, employee selection, socialization, and appraisal are interventions often mentioned. Less often, alternative more desired behaviors of a cultural kind are listed, for instance exemplary management behavior, improvement of communication, concrete guidance, focusing on ethical issues, and concern/care for employees. However, it is not always clear, whom these behaviors are expected of and who is responsible for initiating and monitoring them. Rarely, apart from changing procedures and policies, interventions in the structural or strategic concept of the organization are chosen. These three categories of moral climate intervention are listed in table 5.4.5 below.
For this overview to be complete, only one author, Jackall (1984) emphasizes the need for external influences from the public domain. Finally, nowhere, an integral approach is favored, in which a variety of coherent interventions is implemented in order to arrive at moral climate change (or maintaining/preservation, which is also an option of intervention, of course).

Table 5.4.6 moral climate intervention

mode of intervention		scores per section							
(1)	*HR instruments*	**1**	**2**	**3**	**4***)	**5***)	**6**	**7**	**sum**
MAD	management development	15	2	4	22	5	5	15	68
ESE	employee selection	0	1	0	26	4	8	9	48
ESI	employee introduction	0	1	0	5	3	0	2	11
ESO	employee socialization	0	1	0	11	4	7	5	28
EAP	employee appraisal	0	2	0	8	5	5	10	28
ERE	employee rewarding[1)]	0	3	0	22	8	9	17	59
EPD	employee punishment and discipline[2)]	0	1	0	7	7	6	9	30
ETR	ethics training	22	6	4	46	9	22	2	**111**
JOB	job description	0	0	0	0	7	1	0	8
(2)	*Desired behaviors of a cultural kind*	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**sum**
EMB	exemplary management behavior[3)]	20	2	0	13	7	11	21	74
IOC	improvement of communication[4)]	12	1	0	21	4	19	20	77
COG	concrete guidance[5)]	12	1	0	15	5	13	9	55
FEI	focusing on ethical issue	12	0	0	22	4	18	17	73
CFE	concern /care for employees[6)]	1	0	0	8	1	8	3	21
(3)	*Structural and strategic interventions*	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**sum**
COE	code of ethics[7)]	0	3	0	39	9	18	30	**99**
OEA	organizational ethical appraisal (audits, monitoring)	4	4	0	3	3	2	1	17
EAR	ethics advocate role[8)]	0	3	0	8	4	8	15	38
POD	policy development, implementation and evaluation	19	1	0	19	3	13	19	74
EGV	evaluation of organizational goals and values	19	2	0	4	0	3	6	34
EPS	evaluation of organizational products and services	0	1	0	6	0	1	6	14
ORS	organizational restructuring	11	2	0	5	4	4	4	30
(4)	*No suggestions for moral climate intervention*	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**sum**
		0	2	3	44	2	9	15	75

*) A minor bias may occur in sections 4 and 5 due to the inclusion of several editions of texts and because of including three publications of Treviño and associates in both sections (KHT10; TMB98; TW03).
1) including promoting, 2) in case of violating of ethics standards, 3) including delegation of decision-making, 4) about ethical issues, 5) in reducing unethical behavior, 6) including offering a supporting working environment, 7) and other types of ethical regulation, for instance, safety guidelines, 8) including ethics officer and ethics committee

In hindsight, these categories may appear to be distinct enough while showing possible overlap. Especially, cultural interventions aimed at stimulating desired behaviors may overlap, notably exemplary management behavior, concrete guidance, concern for employees, improvement of communication on ethical issues, and focusing on ethical issues. If we collapse these interventions into a more general category and exclude all overlaps, these suggestions for intervention may in fact represent only a small portion of the total amount of suggestions for moral climate intervention. Furthermore, job description (JOB) is considered as a HR instrument, but would fit better in the structure section as part and example of organizational restructuring. However, rearranging the JOB category would hardly impact the distribution of modes of intervention. More striking is the fact that many instruments are implemented as a standalone intervention, instead of being arranged into an integrated cocktail of HR intervention instruments (as advocated by Treviño, thus being an exception).

Notwithstanding these notes, the scores show some remarkable patterns. In the first place, about one quarter of the publications does not offer any suggestion for intervention at all. Second, *HR instruments* + *Desired behaviors of a cultural kind* (n=391+300=691) outweigh *Structural and strategic*

interventions (n=303) (in percentages, 69.5% versus 30.5%).
The Kohlbergian section is the only section in which all publications do offer suggestions, though not all modes of intervention are mentioned explicitly. Virtually all contributors in section 1 intend promoting a just community approach. Inherent to this approach is the focus on ethical issues (FEI), improvement of communication (about ethical issues) (IOC), concrete guidance (COG), exemplary management behavior (of teachers as classroom managers) (EMB), ethics training and management development (of students and teachers) (ETR; MAD). Furthermore, the just community approach asks for evaluation of organizational goals and values (EGV), policy development, implementation, and evaluation (POD), and modest organizational restructuring (ORS). Assessing the moral atmosphere is the concrete of organizational ethical appraisal (OEA). An interesting feature is the lack of other HR instruments that may be implemented to promote an advanced moral climate.
Discussions concerning the foundations of moral climate intervention were absent. Predominantly, moral climate intervention seems to be grounded on voluntaristic action-oriented notions rather than on structuralist determination-oriented notions. This may reflect the overall optimism of the action-oriented approach, whereas certain skepticism would be more appropriate, especially when originating from a systems approach warning us for the individual fallacy while predicting that intervention at the personal level may be neutralized by more powerful forces. More effective moral climate intervention may benefit from structural interventions and from interventions at the supra-organizational level (industry-level or even societal level). Because of their functional orientation, many contributions to moral climate theory offer suggestions to make moral climate more functional and sometimes, to develop it to the next stage. In line with the findings of Wilkins and Dyer (1988) (discussed in chapter 3), it may be expected that proposals for moral climate intervention are neither climate-sensitive (concerning the actual moral climate) nor climate-specific (concerning the desired moral climate), but of a more generic "one size fits all" type, to be coded and scored as follows in table 5.4.7.

Table 5.4.7 Climate sensitive/specific versus climate neutrality of interventions

code	sensitive/specific versus neutrality of interventions	scores per section								
		1	**2**	**3**	**4**	**5**	**6**	**7**	**sum**	**%**
CS	climate sensitive/specific	24	4	0	21	1	3	2	55	19%
CN	climate neutral ("one size fits all")	1	4	4	66	9	30	38	152	53%
NE	no intervention or indication	0	1	3	44	3	12	19	82	28%

When we subtract the no-intervention contributions, the picture becomes clearer: 73.4% is climate neutral, whereas 26.6% offers climate sensitive/specific interventions.
It should be noted that climate specific interventions are not necessarily restricted to publications of authors that have adopted a developmental view on moral climate. Authors adopting a pragmatic contingency view on moral climate may also advocate climate specific intervention, assumed that a typology is employed allowing change or development from one moral climate type to another. Nevertheless, the decreasing number of climate sensitive/specific interventions reflects the abandoning of the cognitive moral development paradigm of Kohlberg

as the initial foundation of moral climate theory. From both a developmental point of view and a pragmatic contingency point – though in the same way- a climate sensitive/specific approach of moral climate intervention may be considered as more effective than a "one size fits all" approach.

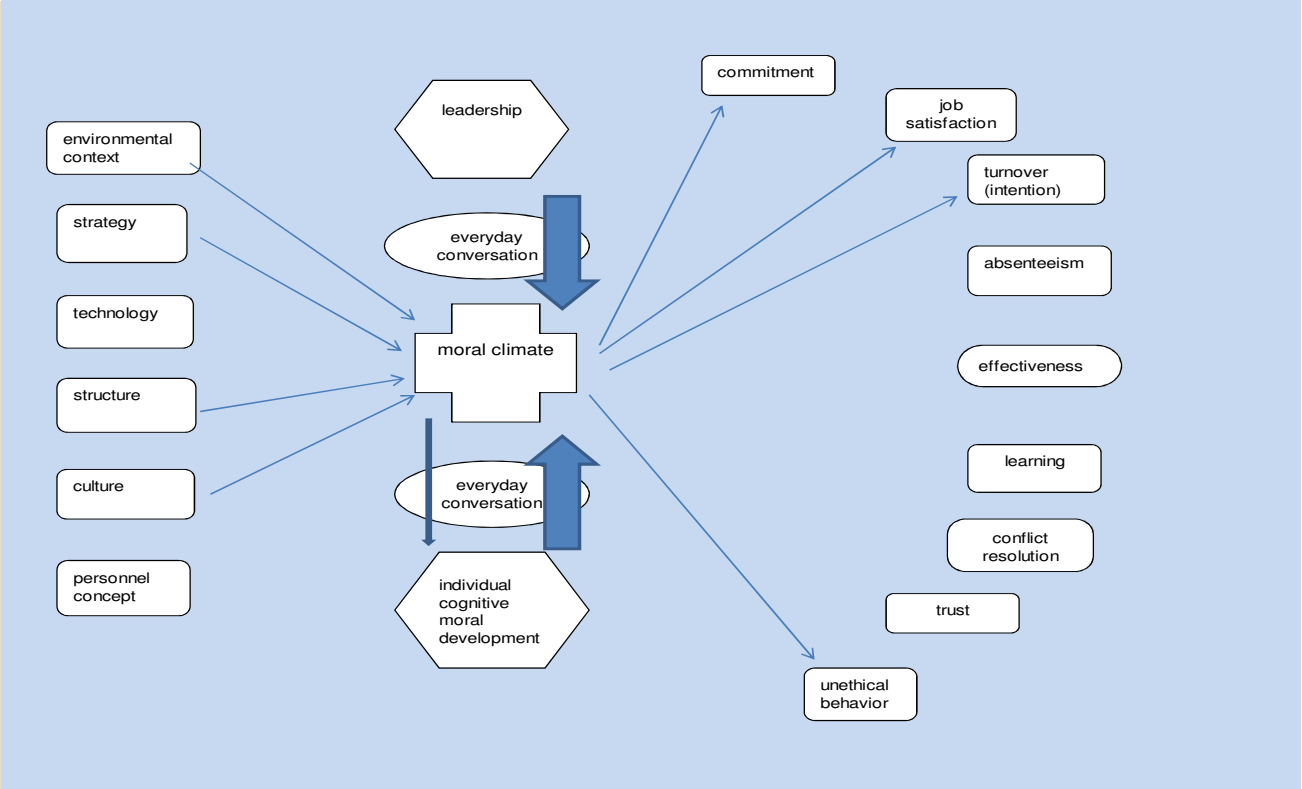
5.5 Summary of findings and preview

When the contributions reviewed are considered from a 'bird eye's view', a striking flux in conceptualization, research practices, and developing positions meets the eye. This thematic flux can be characterized in several respects and distinct features.
Starting with a more or less linear application of Kohlberg's theory of individual moral development to organizations, including a stage characterization of organizations and a concern for democratic norm-building and reinforcing, organizational moral learning and organizational development, subsequent maneuvers show a gradual divergence from Kohlberg in several respects. Criticisms of Kohlberg's theory, notably those of Gilligan and Rest in what became known as the 'justice-care debate' (Gillian) and broadening the concept of morality (Rest), gave rise to adaptations in conceptualization (for instance, concerning an ethics of care) and research methodology (*Defining Issues Test*).
A next move was the abandoning of the stage character of typologies of ethical/moral climates and therefore the developmental claim, with which an important criterion of evaluation and an important rationale for moral climate intervention was put aside. These positions lack an explicit developmental moral criterion to evaluate the desirability of a certain moral climate, and, instead, sometimes use a functional pragmatic criterion aiming at contingency (that is, a certain moral climate fits a given organizational configuration chosen to accomplish task and assignments based on strategic (business) decisions. As we have seen in the previous chapter, answers to the evaluative question are of essential relevance to moral climate theory. Especially when programs of moral climate intervention are to be implemented, a substantiated proposal for direction, type, and methods of change is required.

Many contributions to moral climate theory show advances to the long-standing tradition of climate theory. However, implications of this rapprochement did not seem to be thoroughly considered yet. As we have seen, in climate theory there is a long-lasting controversy about the exact nature and therefore definition of climate and ways of investigating it. Ill considered conceptualizations of moral climate as either a structural organizational attribute or as some aggregation of perceptions, and climate as dependent variable, an independent variable, a mediating or moderating variable, all lead to methodological skirmishes. Also important is the 'climate-culture controversy' (among others, Denison, 1996; Reichers & Schneider, 1990; Rentsch, 1990; Van Muijen, 1998), and the conceptual place of moral climate within a broader construct of organizational culture, as was addressed in chapter 3. Moral climate theory mostly embraces (in particular, Victor and Cullen and their many followers) a perceptions approach while implementing quantitative survey methods (such as the Ethical Climate Questionnaire to measure moral climate) at the neglect of qualitative methods studying interaction about ongoing

events in the organizations (with Kohlbergian research as an exception).

Recent contributions to moral climate theory demonstrate two other manifest maneuvers. The first maneuver is abandoning the Kohlbergian paradigm completely, including the alternative care-approach as proposed by Gilligan, while replacing them with new typologies based on ethical theories on the one hand and organizational dimensions on the other, or with an ethical qualities model of some sort to identify the ethical contents of organizations (Collier, 1998; Cohen, 1993). The second maneuver - a corollary of the second aspect of the first maneuver - consists of examining relations between moral climate and other parameters, including organizational characteristics. In this type of research, moral climate is either the dependent variable (influenced by variables such as type of environment, type of organizational strategy, type of combination of product, market, and technology, type of organization configuration) (sometimes), the independent variable (while affecting job satisfaction, unethical behavior, commitment, turnover intentions) (most of the time), or a moderating or mediating variable (sometimes) (see the figure below). This second maneuver differs from the first in that the relationship between climate and organizational characteristics can also be explored within the Kohlbergian paradigm. Very little attention has been devoted to a comprehensive interactional approach of moral climate and the variables just mentioned, while fierce debates among representatives of competing positions are as good as absent.



In fact, the arrows in the left side of the picture represent about 5% of the research publications, whereas the arrows in the right side of the picture represent the other 95%. Many researchers report of the role of leadership and the impact of individual level of cognitive moral development.

From an evaluative perspective, not using the Kohlbergian paradigm means losing an important criterion for moral climate intervention, with no better alternatives at hand. The tension between developmental and pragmatic-contingency criteria is sometime touched upon, but not explored systematically.
Intervention methods breathe an action-oriented perspective, where structure-oriented interventions would probably be more promising. Suggestions for intervention are seldom integrated into an integral moral climate intervention approach.
In sum, the findings presented in the present chapter show that there are only very few theories of moral climate that do not fall back on the theory of Kohlberg, directly or more remote, yet sometimes understood inappropriately or represented inadequately. Even those authors writing about justice climate, do base their theory indirectly on the theory of Kohlberg, yet without being fully aware of its implications, as it seems.

In chapter 6, we will examine the issue of moral climate development in terms of the stage and criteria for concept development discussed in chapter 2. The results of the two tracks – conceptual and foundational analysis, applied to about 300 contributions – are brought together in an outline of a proposed moral climate theory, based on well-chosen foundations. While using auxiliary theories ("connectivities"), concepts, and hypotheses, thick descriptions of moral climate stages will be formulated, and subsequently illustrated with an elaborated vignette of moral climate theory, research, and practice.

Chapter 6 State of the art

6.1 Introduction
6.2 Development of moral climate theory?
6.3 An outline of a proposed moral climate theory
6.3.1 Foundations of moral climate theory
6.3.2 Auxiliary theories, concepts, and hypotheses
6.3.3 Thick descriptions of moral climate stages
6.4 An illustration of moral climate theory, research, and practice
6.5 Summary

6.1 Introduction

In the previous chapters, I have followed the two tracks of the present study, conceptual analysis and (foundational) meta-analysis of extant theoretical and research contributions to moral climate theory.

In the first track, a conceptual analysis has been made of the concept of moral climate and its two constituent parts: "climate" and "moral". Concerning the "climate" part, an attribute approach, taking climate as an objective fact was favored above a perceptions approach, taking climate as the aggregated perceptions of members of an organization. An interactional approach explains both climate strength and the possibilities of sublimates and subcultures and emphasis the importance of everyday communication about (ongoing) events, and the moderating role of leadership. Concerning the "moral" part", an adapted version of Kohlberg's theory of individual cognitive moral development was used as the basic structure of a theory of moral climate and a typology of moral climates. Moral climate was described as the dominant style of moral reasoning in an organization or its formal and informal subsystems. An important supplement to the stage theory was the introduction of a company oriented Stage 3/4 (in terms of rules, interests, values, or virtues) and a model to arrange the troublesome twin evaluative criteria (developmental-moral and pragmatic-contingency).

The second track consisted of examining about 300 contributions to moral climate theory, some of which were theoretical only, while the greater part describes research, mostly in combination with proposals to refine or reformulate the theory and/or research methods. These contributions allowed for arranging in seven sections, starting with a section in which Kohlberg's theory of individual cognitive moral development was transformed into moral atmosphere theory. The second section consists of contributions emphasizing the developmental aspect of Kohlberg's theory, sometimes at the neglect of its moral contents. In section three, Snell's moral ethos theory was discussed as an essential attempt to preserve and complete Kohlberg's theory. The disproportional section 4 displays the evolving highly acclaimed but apparently inadequate research model of Victor and Cullen, and the many refinements and adaptations proposed by numerous followers. Though the model is said to be based on Kohlbergian theory, its evolvement shows a gradual abandoning of Kohlberg's developmental and evaluative notions, turning it into a shallow functional concept that was used mainly to predict outcome variables

(including job satisfaction, unethical behavior, commitment, and turnover intention), in a rather circular manner. Section 5 discusses those contributions that have moral culture as their essential notion, which may or may not be of Kohlbergian signature. In section 6, the miscellaneous contributions are arranged in terms of alternative directions (such as moral climate in hospital settings, justice climate, ethical climate in the sales force, the ethical context, and the virtuous organization, and, most interestingly, Cohen's proposal to formulate climate theory in communitarian terms). Section seven includes those contributions in which moral climate was only a tangential used concept, but could offer useful insights nevertheless, for instance in connectivities and ways to measure them.

In chapter 6, conclusions are drawn from both tracks, constituting the basis on which a proposal is submitted regarding a refined Kohlberg based moral climate theory, inclusive of a typology. In section 6.2, a balanced conclusion will drawn regarding the development of moral climate theory. The diversity of moral climate concepts emerging from the contributions reviewed does not point at some arrived state of consensus but instead illustrates the rhizome-like character of the moral climate concept. Moreover, the dominating model of Victor and Cullen has turned out to be not the right candidate to occupy such a central position in a unifying role. Perhaps, the publishing policy of the *Journal of Business Ethics* has reinforced the persistent use of this inadequate paradigm. However, the contributions reviewed revealed also a lot of progress, for instance by reporting of empirically found relations between moral climate and outcome variables. Perhaps, the confrontation of old and new directions in moral climate theory is the start for a new stage in moral climate development, as can be understood in terms of the model of theoretical development of Schneider and Reichers outlined in chapter 3.
In line with the proceedings of foundational research, suggestions for improvement can be given. In section 6.3, a sound and fruitful moral climate theory is proposed that deals appropriately with the conceptual, typological, empirical, evaluative, and interventional issues constituting the connecting threads of the present study. This moral climate theory is based on an adapted version of Kohlberg's theory of individual cognitive moral development and consists of thick descriptions of the stages. To illustrate the proposed model, in section 6.4 an elaborated vignette is presented, describing a company's moral climate profile and moral climate configuration and its arrested development in much detail. Because of its solid base in reality, this vignette has features bringing it close to being a genuine case study that hence may be more than just an illustration. In section 6.5, chapter 6 closes with a brief summary and a preview.

6.2 Development of moral climate theory?

This section addresses PC12 (formulated in chapter 1), saying that over time, moral climate theory shows a developmental pattern with distinct stages. Can we speak of progress or even development of moral climate theory. In chapter 5, the diversity of moral climate concepts and the inadequate paradigm of Victor and Cullen suggest an arrested development in the field of moral climate. The actual state of the art can be determined in terms of the three-stage model of concept development and construct evolution proposed by Reichers and Schneider (1990, 6-7),

described in chapter 3. This stage model – consisting of a stage of introduction and elaboration, a stage of evaluation and augmentation, and a stage of consolidation and accommodation – helps us to interpret the current state of the art.

(1) In line with the terms of the first stage, moral climate as has been introduced and elaborated as a new concept mainly borrowed from three fields: climate theory, culture theory, and Kohlberg's theory of individual cognitive moral development (as the analysis summarized in chapter 5 showed). Moral climate concepts were legitimized through lectures and articles in which the (academic) public is pointed out to the meaning and the relevance of this concept. Since in the first stage, contributions often have the tenor of investigating and making operational definitions of the new concept. The purpose of it all is trying to "prove" that the concept is about something really existing, but was not or only badly understood. The proliferation of many moral climate definitions suggests that moral climate has not developed beyond this initial stage. The adoption of the inadequate model of Victor and Cullen as the standard of moral climate theory has obscured actual conceptual, typological, empirical, evaluative, and interventional difficulties.

(2) The present study as a critical review of the diversity of moral climate concepts can be considered as a manifestation of moral climate entering the second stage, because of the attempt to evaluate and augment. Conceptualization were found to be faulty, operationalizations could not but be labeled inadequate, while empirical methods and results were considered questionable. In this study, I suggested to introduce moderating and mediating variables as well as improving research procedures and measurement techniques to underscore the uniqueness of the concept. I pointed at limitations of the earlier conceptual and empirical work while offering a both old and improved conceptualization to capture a variety of theoretical and/or practical problems.

(3) Concerning the third and final stage of concept development, the model of Victor and Cullen represents a false start from the perspective of consolidation. Controversies seemingly lost their sharp edges while at least partial consensus seemed near. Reviews of the literature (particularly Martin & Cullen, 2006, and Mayer, Kuenzi & Greenbaum, 2008) stated factually what is and is not known in terms of the model and its procedures for operationalization that became generally accepted. However, instead of being a matured concept, the ethical climate concept of Victor and Cullen proved to be limited and both conceptually and empirically inappropriate. This means, that appropriate consolidation is not a goal within reach now, and moral climate theory has a long way to go in order to pass the second stage of concept development.

Examining about 300 contributions to moral climate theory reveals a scattered image of moral climate theory that does not lead to high spirits. Of course, there are valuable contributions, notably those of Cohen, Snell, and Treviño, while many other publications have their strong points, as in described in the reviews included on the CD-ROM that completes the paper part of the present study. However, when coming to a summarized evaluation, conceptually, there is little agreement yet, apart from the widely embraced model of Victor and Cullen. Despite the lack of agreement, no fierce debates animate the business ethics literature. Instead, the *Journal of Business Ethics* does not stop publishing numerous research reports based on the inadequate

model of Victor and Cullen, thereby reproducing its inadequacies while adding new ones.
The state of the art can be described in terms of the five issues constituting the framework of the present study: conceptual, typological, empirical, evaluative, and interventional issues. Many terms are used to describe a phenomenon hard to get a hold on. Sloppy typologies are confirmed partly by quantitative research methods (surveys), for the most part taking moral climate as the independent variable, mostly leading to circular findings. Evaluative issues are ignored (though not by authors taking an explicit Kohlbergian stance), or are resolved from a functionalist perspective, while abandoning cognitive moral developmental perspectives. Intervention programs, if present, are mostly of the one-size-fits-all kind, that is, not climate-sensitive or climate-specific.
From a strictly Kohlbergian perspective, these conclusions can be represented metaphorically, though in not-so-friendly pejorative appellations the Dutch author Jean-Paul Franssens (1997, 179) used to characterize the Polish railways in former days: everything clatters, grinds, is loose, or is broken off somewhere. In terms of the model of Reichers and Schneider, this picture is inevitable, considering the stage of development of moral climate theory, and is at best, an indication of a transitional period.

A more detailed assessment of the state of the art cannot but be described in terms of the clusters of criteria for moral climate theory evaluation discussed in chapter 2. The two clusters of criteria – the *truth* cluster and the *utility* cluster – are resumed and applied to the results represented in chapter 5.
When attempting to overlook moral climate theory and research in terms of these clusters of interrelated criteria, the following cautiously taken picture emerges.

- *Conceptual clarity, internal consistency, and orderliness*

The proliferation of many conceptualization of moral climate has not contributed to its overall clarity. As emerges from the reviews, moral climate is a fuzzy construct, or even a conglomeration of many related concept, redundant, overlapping, or even contradictory, in short, a rhizome. Most contributions do consider moral climate not as an attribute of an organization (or its formal and informal subsystems) but as aggregate of perceptions while forgetting to specify what these perceptions are exactly perceptions of.
Furthermore, we have the problem of thin and thick definitions and descriptions of moral climate types and profiles. Considering only the dominant style of moral reasoning is not very informative without examining antecedent s and consequences. In order to be informative, causes and effects of moral climate should be identified and be clustered into a moral climate configuration. However, when the increase of variety of concepts is a necessary transitional stage of concept development, we can certainly and justified speak of progress and development.
Moral climate concepts are mostly used in an internally consistent way, though examples were found in which a descriptive meaning of moral climate tacitly turns into a normative meaning, or in which a perceptions approach becomes blurred with an attribute approach without noting the difference. The internally inconsistent use of concepts cannot be considered as a feature of further conceptual development.
Concerning orderliness as a characteristic of competent theory construction and designing

research, most contributions exhibit a systematic account of concepts and the way they are measured. When increasing orderliness is considered as a sign of development, at this point a precondition for development is met.

- *Comprehensiveness* and *parsimony*

Concerning the issue, whether all relevant factors are included and those factors are excluded that have little additional value to our understanding it can be concluded that in many contributions the concept of moral climate is not very comprehensive if not shallow. For instance, the conceptual model of Victor and Cullen does not cover all relevant variables concerning structures of moral reasoning and does for the most part not refer to causal factors concerning the formation, consolidation, and change of moral climate. Especially, in quantitative research only those factors are included that can be measured, thus leading to an underspecification of reality. On the other hand, the very complex and overspecified moral atmosphere concept of Kohlberg and associates probably is too complicated to be useful in everyday moral climate research and could have been elaborated in a more parsimonious, "light" version. Snell's moral ethos concept also contains of numerous factors of unequal relevance. Parsimony is important in an early stage of research development, when singling out only those factors bearing relevance. Though possibly circular, finding connections between moral climate type and job satisfaction can mean an important step forward concerning concept development.

- *Objectivity* and *intersubjectivity*

Many theorists and researchers try to take a detached and impartial stance while trying to arrive at verifiable and virtually reconstructable, and if possible replicable data and aiming at intersubjective concordance among those involved. There is no specific reason to think that the criterion of objectivity is not met. However, the functionalist perspective on moral climate may not be objective because of its primary focus on the functionality (effective performance) of the organization. This functionality bias includes a focus on effects of moral climate, thus considering moral climate as the independent variable while neglecting those (external) factors that cause or consolidate, or influence a particular moral climate.

- *Accuracy* or *precision*

Although many research publications suggest a high rate of accuracy and precision, there is reasonable doubt concerning this claim when concepts are fuzzy and research models underdeveloped. When moral climate categories are too broad, inaccurate findings may be the result. Especially when information is gathered through one single measure instead of through multiple channels, the suspicion of lack of accuracy and precision becomes stronger. It can be concluded that there may be little development yet when using these criteria as a touchstone.

- *Reliability* and *validity*

Research publications also suggest high rates of reliability and validity. However, since most of the research uses survey methods based on fuzzy concepts and typologies, these high rates can be doubted. In fact, many surveys ask respondents more than they can possibly know (Nisbett & Wilson, 1977) while underestimating social desirability and other forms of bias (Fernandes &

Randall, 1992).
Validity may be at stake when research instruments measure something different than they intended to measure. For instance, when defining moral climate in terms of perceptions, it is possible that job satisfaction or commitment (or something else) has been measured instead of moral climate.
When considering the various types of validity, a more precise judgment concerning concept development can be formulated. Findings will be high in convergent validity when evidence from different sources gathered in different ways all indicate the same or similar meaning of the construct (as in methodological triangulation). In single method moral climate research, this is only a waving perspective. When discriminant validity means that theorists and researchers must confirm that one can empirically differentiate between the construct from other (similar) constructs and that one can point out what is unrelated to the constructs, moral climate theory shows little development yet because of the lack of clarity of the concept.

- *Logical and empirical adequacy*

Propositions and hypotheses should be logical and empirical adequate, that is, non-tautological from a logical perspective, and leading to operationalized hypotheses. As has been noted in chapter 5, dependent, independent, and mediating and moderating variables should be specified accurately. However, because of lack of comprehensiveness, in moral climate research logical and empirical adequacy probably cannot be met. Moral climate research that considers moral climate as the antecedent condition is suspected of presenting tautological results, especially when dynamic factors (mediators and moderators, such as leadership) are not considered. At this point, there is little development to be noticed.

- *Explanatory* and *predictive* power

The majority of research contributions consider moral climate as the independent variable while taking other factors as dependent variables, notably job satisfaction, turnover (intentions), performance, commitment, (un)ethical behavior, or customer care. Finding that an egoistic climate (independent variable) goes along with unethical behavior, cannot be but circular, when unethical behavior is taken as a defining characteristic of an egoistic climate. In other words, this type of research explains little, and predicts nothing we did not already know. Those research that takes as the dependent variable, probably explains more, at least, does not explain something that already was implied in the concept. A step forward is the introduction of mediating and moderating variables, in particular leadership behavior.

- *Generalizability* and *specificity*:

Because of the specificity of research population and research design, there is little opportunity for the generalization of findings. However, approaches, research designs, method, and instruments used can be generalized once they have proved their utility.

- *Connectivity* and *transformationality*

Connectivity means that a new theory bridges the gap between two or more different theories, thus explaining connections between the domains of other theories. In this way, new knowledge

is created and a more nearly continuous mapping of the empirical world is achieved by constructing nomological networks in the nomadic way advocated by Deleuze and Guattari (1976; 1991), described in chapter 1. Transformationality means that a theory causes preexisting theories to be reevaluated in a new light, or even has the potential to change the older, established theories they were built upon (Bacharach, 1989, 511).
There are plenty opportunities for moral climate theory to be connective, for instance, by explaining the inherent moral complexity of the seven types of organizational structure distinguished by Mintzberg. In fact, all researcher are introducing new variables to connect with moral climate, are connective in their own special nomadic way, at least, when that specific variable brings in its own established theory (for instance, theories about the different forms of commitment, trust, job satisfaction, unethical behavior, leadership styles, ad libitum, as was arranged in Appendix 3).
Moral climate theory can be transformational as well, for instance, when moral climate theory throws a new light upon theories of organizational culture by conceptualizing the moral aspects of culture in a more sophisticated manner that extant organizational culture theories did, to mention only one example.

- *Fruitfulness to further research*

An important development concerning moral climate theory are the fruitful attempts to put moral features of organizations put on the business and research agenda, despite its conceptual shortcomings and empirical flaws. To be more fruitful, these shortcomings and flaws need to be reconsidered and "cured", as will be discussed in this chapter and in chapter 7.

- *Additional criteria*

Finally, the additional criteria discussed in chapter 2 need to be resumed (Anderson & Herr, 1999, 16l; Lather, 1986, 67; Witkin & Gottschalk, 1988, 218-221). Theory should have democratic validity and catalytic validity, that is, be explicitly critical (1), recognize that humans are active agents (2), account for the life experiences of the people involved (3), and promote social justice (4). As emerges from the reviews, for the most part, a functional approach is preferred, with the inherent risk that personnel is considered as consisting of anonymous puppets instead of people asking for and deserving respect. Both the manner of conceptualizing moral climate and examining it empirically reinforce failing meeting these criteria. The way the reviews are arranged in sections reflects this lack of development. The Kohlbergian approach discussed in section 1, fully meets the criteria, more in particular the fourth criterion, because of the inherent developmental slant of Kohlberg's theory of cognitive moral development. Because people can develop, and development should be favored, people are helped to foster their moral development, by using the model of moral education in a stage-specific manner. There is no reason for organizations to ignore this developmental assignment or to block moral development.
Every next section means a step away from Kohlberg's initial theory and its emancipatory intentions. The model of Victor and Cullen abandons the developmental character and with it the guidelines for moral climate development, thus paving the way for functional interpretations. When research is carried by using impersonal surveys asking people more than they can possibly

know while evoking social desirable responses, there will be little space for exploring the life experiences of the people involved. In can be expected, that qualitative methods help better meeting the additional criteria for theory building and evaluation. .

To be conclusive, from the perspective of moral climate theory development, there is no convincing reason for optimism. Yet, the moral climate approach can be a promising one once it has overcome its conceptual difficulties, has constructed sound typologies, examines moral climate with a variety of methods (including qualitative methods), reassumes the moral developmental evaluative criteria, and chooses stage-specific programs of intervention that help developing moral climate.

6.3 An outline of a proposed moral climate theory

In this section, a theory of moral climate is presented that meets the criteria discussed in chapter 2 as resumed in the previous section as much as possible. In subsection 6.3.1, the preferred foundations of moral climate theory are summarized. Subsection 6.3.2 discusses auxiliary theories, concepts, and hypotheses as a way to meet the criterion of connectivity and to arrange a framework for thick descriptions of moral climate configurations. Subsection 6.3.3 contains a thick description of relevant moral climate types.

6.3.1 Foundations of moral climate theory

The preferred foundations of moral climate, discussed in chapter 3 ("the climate part") and chapter 4 ("the moral part") can be resumed systematically as solutions to respectively conceptual, typological, empirical, evaluative, and interventional issues.

- *Conceptual issues*

A tentative indication of the subject of this study - the 'something' that influences individual and collective moral reasoning (both content and form) and behaving in organizations - was necessary for reasons of marking off, confining and focusing, and of course, to describe, measure, and analysis the phenomenon scrutinized. In order to stipulate such a working definition, moral climate was defined as the dominant style of moral reasoning in an organization of its formal or informal subsystems. After the foundational analysis in chapters 3 and 4, and the review of about 300 contributions to moral climate theory, this conceptual choice can be explained and compared with other conceptualizations in more detail. The general impression emerging from the literature is a forest of concepts departing from competing assumptions, however without fierce debates. In the next paragraphs, I will propose my own conception of moral climate.

In chapter 1, 'moral climate' was tentatively described in terms of 'collectively shared styles of moral reasoning', 'current collective moral maps', 'collective moral consciousness', 'generalized patterns of collective moral argumentation and collective moral beliefs' , more or less degreed upon, and observable in everyday organizational behavior (speaking and acting). 'Moral climate'

conceptualizes the moral space in organizations in which more or less fixed patterns of moral discourse on how act to act morally have settled. 'Moral climate' both offers and limits possibilities to identify, acknowledge, discuss, analyze and solve (types of) moral issues in organizations, includes and excludes, and prioritize stakeholder interests and claims. When speaking about the possibility of moral climate types, every type of moral climate in its own way should frame and specify the field of moral discourse. Throughout the present study, a terminological differentiation was made between 'moral climate' as the general notion, 'moral climate type' as a part of a moral climate typology (consisting of systematically categorized types), 'moral climate profile' as the actually found pure or composite moral climate of an organization (or its formal or informal subsystems). The term 'moral climate configuration' was used to indicate the typical cluster of moral climate and other organizational variables (including environmental characteristics, strategy, technology, structure, culture).
Because the elements of this conceptualization probably are not self-explanatory, they need further clarification.
(1) One of the foundations of the moral climate concept is the emphasis on moral reasoning, which implies a position taken in the discussion on the defining characteristics of morality. This position claims the relative importance of moral cognitions component of morality, though the function of intuition and affects is not considered irrelevant. Moral cognition and the argumentative competencies based upon moral cognition are an important determinant of moral action. This point of view is based on the assumption that people are not only capable to give reasons for their moral action with hindsight, but also capable of acting morally based on a moral reasoning process prior to action (Blasi, 1980, 1-2), and even capable to provide moral action with a "moral running commentary" based on reflection-in-action (Bennink, 1994b). Anyhow, ethical reflection is a matter of argumentation: making acceptable on convincing grounds that something is right or wrong to do. However, giving reasons is not the only element of morality. Morality involves also moral sensibility, moral intuition, moral emotion, ego-strength, decisiveness, moral virtues (Rest, 1984), and intuition as pattern-recognition.

(2) The term 'moral climate' is not chosen arbitrarily. Throughout this study the designation '*moral climate'* is used and preferred to alternatives, such as 'moral atmosphere', 'normative climate', 'moral culture' , 'ethical (work) climate', 'procedural justice climate', or 'climate regarding ethics'.
- *'Moral atmosphere'* is term introduced by Kohlberg and his associates (who sometimes also used 'moral culture' of even 'moral climate'). Their preference is not adopted in this study. The word 'atmosphere' is in its essence a term from the domain of physical geography, more in particular referring to the air that we breathe. On earth, there is only one atmosphere, while a profile theory of moral climates suggests a possible diversity of types of moral climates. The climate concept is also borrowed from physical geography and is supposed to be a more useful metaphor to understand certain aspects of organizational reality. Especially the objective and subjective features of climate (in the physical sense) resemble the doublesidedness of moral climates in organizations: climates have objective (fairly stable, that is relatively constant and hard to change) characteristics, like a certain temperature, and much or little precipitation, but are also perceived and experienced by people as more or less pleasant to live in.

- *'Normative climate'* is not preferred as well, because of its exclusive prescriptive, evaluative, and ameliorative connotation, suggesting how climate ought to be, instead of how it actually is. For the same reason '*normative culture'* is also rejected as a bearing concept in this study.

- *'Moral culture'* is a term sometimes used (also by Kohlberg and associates), but with a certain pleonastic slant: in most definitions of culture, values and norms play an essential role. The question then is what the adjective 'moral' ads to the concept of culture, when moral aspects are already part of its definition. Another captivating issue discussed in this study is, as to whether theories of organizational culture fail to conceptualizing the moral aspects of organizations and organizing adequately, and if so, for what reasons (chapter 3).

- *'Ethical (work) climate'* is a designation used by a number of authors, following Victor and Cullen (1988), and defined as "the shared perceptions of what is ethically correct behavior and how ethical issues should be handled". Although one might promote compliance with current usage, I consider this term not preferable, not so much because of the "climate" part, but because of the adjective "ethical". In ethics literature, it is common use to make a distinction between ethics and morals, the latter being used to indicate the values and norms people consider worthwhile realizing, whereas ethics is the scientific study of morality[111]. In this sense, 'ethical climate' is an idiosyncratic concept. The 'shared perceptions' part of the definition constitutes a point of serious discussion, addressed hereafter.

- *'Procedural justice climate'* is a term considered too narrow because of its exclusive focus on justice, in its procedural version. Apparently, this concept focuses on one value, justice, at the neglect of other values, such as integrity, respect, honesty, or care.

- *'Climate regarding ethics'* is a phrase suggested by Dickson, Smith, Grojean, and Ehrhart (2001) to avoid the confusion they consider inherent to the term ethical (work) climate as used by Victor and Cullen (and their associates and followers). Though these authors (2001, 7) agree with the definition and descriptions given by Victor and Cullen, they consider the phrase "ethical climate" confusing for two reasons. First, when most people see the phrase "ethical climate", one aspect of their interpretation is generally "a climate for behaviors that are generally seen as ethical in the larger society". However, according to the authors, since ethical climate is always local of necessity (of a particular organization, even by definition, HB), an organization could easily have a climate in which the things seen as ethical within the organization would not be seen as ethical in the broader society. Second, a common interpretation of the phrase "ethical climate" is that it refers to a "strong climate for ethical behavior". However, according to the authors, it is quite common for there to be little agreement around ethical issues within an organization (i.e., a weak climate), and thus, more confusion can develop.
The alternative phrase *"climate regarding ethics"* appears attractive as first sight, avoiding implicit connotations that may develop theoretical confusion. However, there are some circumstances diminishing this attractiveness. In the first place, the term is quite long for everyday usage. Second, and far more important, it does not prevent misunderstanding. The term "climate

regarding ethics" can also easily be understood as "climate for behaviors that generally seen as ethical in the larger society", that is, a climate embodying or enhancing ethical behavior. Third, a "climate regarding ethics" does not imply agreement on ethical issues, and makes the second objection of the authors irrelevant and obsolete.

- *'Moral climate'* comes closest to what I have in mind to conceptualize moral aspects of organizational culture and address the (lack of) moral qualities of organizations. This preference asks for explanation. To begin with, the climate-culture controversy discussed in chapter 3 explained why the preferred term is moral climate, and not moral culture. Furthermore, "moral climate" can easily be misunderstood. The adjective "moral" is not meant in an evaluative sense, implying that only certain climates could deserve the predicate "moral", whereas other climates better be called "immoral" climates. Instead, I propose using the term moral climate descriptively to indicate the way (the lack of) morality in organizations is anchored "climatologically". To decide whether one moral climate type or profile is more moral than other moral climate profiles, additional criteria are needed, as was discussed in chapter 3 and 4.

(3) From an ontological perspective, "moral climate" is an organizational fact in social reality, and not some aggregation of individual perceptions, as was discussed in chapter 3. The essential question is here, what these perceptions are perceptions of, and whether these perceptions are valid perceptions. Since common surveys generally ask respondents more than they can know are very likely are contaminated with a social desirability bias, the perceptions approach was rejected. Therefore, moral climate is taken as interpreted supra-personal phenomenon (like Bourdieu's habitus) that exists apart from perceptions of individuals (that is, exists not only in their heads and through their perceptions), a fact for every member of the organization to take into account, either to comply with, to make a stand against, or to run away from. "Moral climate" is both a function and an outcome of other organizational parameters. It is also an influencing factor by itself because of its implicit ideological features, worldview and image of organization. Moral climates become visible in the artifacts (for instance, formal structure, rewarding systems), effectiveness, as well as psychological outcomes (job satisfaction, unethical behavior, commitment, turnover, absenteeism) that both are its results and perhaps its causes, too, when considered from a structurational and interactional point of view. Moral climate, its causes and its consequences can be perceived and interpreted, but the degree of accuracy of this perception and validity of interpretation largely depends on observer qualities. These qualities include perspective taking competence, abstraction competence, generalization competence, moral sensitivity, and hence, individual cognitive moral competence of the observer. Observer qualities thus influence and possibly limit the validity of moral climate research that uses self-reporting techniques in interviews or worse, survey questionnaires.
The position defended here implies also that moral climate is neither the average of individuals' moral competence or performance, nor the collective or aggregated moral competence or collective moral performance. Instead, it consists of shared generalized and objectified, institutionalized, and reified expectations concerning moral reasoning with regard to both its contents and its form, as part of the organizational structure (ontologically to be compared with phenomena such as generalized procedures, rules their various forms, dress codes, conversation

styles, and other behavioral features). However, individual moral competence does matter, since any moral climate type of profile requires a minimum moral competence of organizational members while prescribing performance with regard to both moral reasoning and subsequently moral behavior. Newcomers in the organization are probably selected to fit in the current moral climate and possibly get some overt or tacit socialization into the moral curriculum of the organization leading to compliance, identification or internalization. Problems, however, may arise when individual moral competence does not match the organization's moral climate, either when it is 'too low' or when it is 'too high' when compared to the actual or the desired moral climate from a cognitive developmental moral perspective. Therefore, to get an appropriate idea of the moral landscape of the organization is not sufficient to measure the moral climate. In addition, individual moral competence should be measured, for instance to identify misfits and developmental opportunities or the lack of it.

(4) Moral climates can and will vary with regard to their *strength*, in the same manner as organizational cultures vary in strength. Expectations with regard to moral reasoning and performing can be more or less shared, and hence, more or less homogeneous or heterogeneous when two or more styles of moral argumentation concurrently coexist within a moral climate profile. In other words, a more climate may be more or less *hegemonic*, and anchored in everyday obviousness[112]. In chapter 3, several features of climate strength were discussed. A strong (homogeneous) a moral climate spells out more clearly, how people are to reason and behave most of the time because expectations are clear, with little time required in deciding how to act in a given situation (and making them feel better and work harder, as is, probably mistakenly, supposed by Deal and Kennedy, 1982, 15-16). Because of its hegemonic aspects, a strong moral climate will be resistant to change. A weak (heterogeneous or diverse) moral climate will accordingly offer less guidance in moral decision making because expectations are diverse and perhaps adverse in their guidelines for courses of action. This paves the way for discussion and conflict, and makes the given moral climate more susceptible to change, in the direction of each of its composing modes of moral reasoning. However, whether a moral climate is strong or weak also depends on the level of analysis, as was discussed in chapter 3.

(5) "Moral climate" can be an attribute of entire organizations, but also of organizational units (such as production departments, or teams) or even informal groups or cliques (Dalton, 1959; Sayles, 1958) having a moral climate (or better, subclimate) of their own (Power & Butterfield, 1978; Higgins & Gordon, 1985; Weber, 1995; Weber & Seger, 2002). The idea that moral climate can be a characteristic of entire production-distribution chains, types or branches of industry, institutional domains, or professional occupational groups (supraclimates) (Abrahamson & Fombrun, 1994; Gordon, 1991), has been parked waiting for further examination. For instance, it can be expected that due of processes concerning isomorphism, there will be little differentiation between branch members, while the partners in production-distribution chains will be more akin to the members of the branch they are part of than akin to partners backwards and forwards in the chain.
Concerning strength or weakness of a moral climate, it can be said now that a moral climate can be strong when it is the moral subclimate of a certain department. When the focus is on the

organization as a whole, several formal departments of informal cliques with each a strong but different moral climate may bless or burden (depending on the criteria of evaluation) the organization with a weak overall moral climate.

- *Typological issues*

In chapter 4, the "moral part" of "moral climate" was discussed. Several strategies of moral position taking were considered to address the issue of not missing relevant styles of moral reasoning. Kohlberg's theory of cognitive moral development was appraised as an overarching model to arrange common strategies of moral position taking from a developmental perspective. It was argued that the stages of moral argumentation distinguished by Kohlberg and associates could be used as a theoretical framework for a moral climate theory, at least in an adapted version. It is a striking fact that many (if not nearly all) authors of publications on moral climate are tributary, directly or indirectly, to the work of Kohlberg, sometimes without acknowledgement. In most of the theories and typologies, "moral climate" and the similar concepts mentioned earlier, are defined in terms of (perceptions of) prevailing styles of moral reasoning in (a subsystem, either formal or informal of) an organization. In a certain way, this is surprising since only few contributors to moral climate theory discuss or even recognize the importance of Kohlberg's moral atmosphere theory as the elaboration of the theory of individual moral development into a theory of the moral development on the organizational level. Instead, based on the ideas of Kohlberg, moral climate theory developed into several directions, as we have see in the previous section.

In chapter 4, Kohlberg's initial stage structure was resumed as the basic structure of a moral climate typology, described in thin terms as:

I Pre-conventional level

Stage 1: Climate for punishment, characterized by a limited teleological (consequentialist) structure of moral argumentation, based on balancing pros and cons to avoid negative consequences and specific instrumental virtues (such as perseverance).

Stage 2: Exchange climate, characterized by a limited teleological (consequentialist) structure of moral argumentation based on balancing pros and cons, necessarily more complex than in Stage 1, since interests of immediate others are taken into account within limits and based on instrumental virtues (such as self-serving negotiation skills).

II Conventional level

Stage 3: Inclusion climate can take many shapes, depending on a variety of contingencies concerning ethical criterion and moral horizon, with the "members-only" thinking and feeling as its core. Because of the possibility of branching, the ethical criterion of moral argumentation can be deontological (local rules-based), teleological (interests- and consequences-based, for instance concerning good relations within the group), axiological (group values-based), or aretaic (group virtues-based). In Stage 3, the type of moral horizon varies with the size and kind of the group (formal groups such as teams, units, and departments, as well as all sorts of informal cliques). Because of the many possible moral (sub) climates on the conventional level, a detailed coding was proposed, as in the scheme below:

ethical criterion → moral horizon ↓	deontological	teleological	axiological	virtues
formal groups:				
team	Stage 3 FTD	Stage 3 FTT	Stage 3 FTA	Stage 3 FTV
unit	Stage 3 FUD	Stage 3 FUT	Stage 3 FUA	Stage 3 FUV
department	Stage 3 FDD	Stage 3 FDT	Stage 3 FDA	Stage 3 FDV
entire organization	stage 3 FED	Stage 3 FET	Stage 3 FEA	Stage 3 FEV
informal cliques:				
vertical symbiotic	Stage 3 IVSD	Stage 3 IVST	Stage 3 IVSA	Stage 3 IVSV
vertical parasitic	Stage 3 IVPD	Stage 3 IVPT	Stage 3 IVPA	Stage 3 IVPV
horizontal defensive	Stage 3 IHDD	Stage 3 IHDT	Stage 3 IHDA	Stage 3 IHDV
horizontal aggressive	Stage 3 IHAD	Stage 3 IHAT	Stage 3 IHAA	Stage 3 IHAV
random	Stage 3 IRAD	Stage 3 IRAT	Stage 3 IRAA	Stage 3 IRAV

It was noted that this complex distinction into climate types seems somewhat overdone, though it may serve research purposes well (for instance, comparing the moral climate of formal groups to the moral climate of informal cliques). The entire collection of informal cliques can be left out when it is considered of less importance, and the formal groups can be taken together as the group level with an adapted coding, indicated as Stage 3D, Stage 3T, Stage 3A, and Stage 3V, respectively.

Stage 3/4: Company climate is - because of the possibility of branching - characterized by an orientation on the values, virtues, rules, and interests of the entire organization. The ethical criterion of moral argumentation can be deontological (organizational rules-based, for instance in a corporate code of behavior), teleological (based on interests and consequences regarding the organization), axiological (organization values-based), or aretaic (organizational virtues-based such as loyalty, respect), specifications indicated as Stage 3/4 D, Stage 3/4 T, Stage 3/4 A, and Stage 3/4 V, respectively. In the same vein, macroclimates can be indicated as Stage 3/4+ D, Stage 3/4+T, Stage 3/4+ A, and Stage 3/4+ V, respectively.

Stage 4: Community climate is characterized by an orientation on the societal system, either its social values, its citizenship virtues, its rules (laws, collective labor agreements, professional codes, and otherwise), or its interests and consequences (wealth, social cohesion). Specifications can be indicated as Stage 4 D, Stage4 T, Stage 4 A, and Stage 4 V, respectively.

III Post-conventional level

Stage 5: Social contract climate, characterized by an integrated principled and rule-utilitarian structure of moral argumentation, in which all four strategies of moral justification (orientation on values, rules, virtues and consequences) merge aiming at criticizing old rules and conventions and formulate new rules and conventions of higher justice quality than before.

Stage 6: Universalistic climate, characterized by an orientation on universal moral principles, a deontological structure of argumentation, in which consequentialist considerations are incorporated, namely the consequences for all those involved actually and potentially.

Stage 7: Spiritual climate, characterized by a cosmic orientation on spirituality.

- *Empirical issues*

Based on the occurrence of all sorts of bias, in particular due to "asking people more than they can know" and social desirability bias, it was proposed to approach moral climate from the point of methodological triangulation, if carried out appropriately (see chapter 2, note 25). Both quantitative and qualitative approaches can be combined into methods that do not fall short of the types of bias discussed and make all attempts redundant to churn data, including questionnaires for respondents, in-depth interviews with informants, participant observation, analysis of everyday discourse and formal and informal communication processes, document analysis, and considering all kinds of artifacts (see Sieber, 1973). Especially, everyday formal and informal conversation is essential to the dynamics of moral climate genesis, maintenance, development and decline.

A *Moral Climate Questionnaire* can be designed, at best in several versions, depending on the research question and suitable to the organization, its moral issues, and type of staff. In the discussion of the vignette in this chapter, a brief version of this MCQ is presented. However, only determining the moral climate type or moral climate profile (in case of mixed responses), is not enough to get an idea of the moral climate configuration it its most embracing form. Therefore, other variables need to be included, again, depending on the research questions. Ethnomethodological insights and methods (participant observation and in-depth interviews) can be used when studying human interaction. Even when the central proposition of ethnomethodology – the origin of the social order must occur in everyday interaction – is not adopted because of overemphasizing the role of subjects (Morgan & Smirchich, 1980), an ethnomethodological stance is important to get access to the practices and meanings that the members of the group take for granted by investigating patterns of interaction, customs and interpretative schemes through which group members view the world (Denzin, 1989, 157; Phillips, 1992). In chapter 2, a comprehensive rhizome-like model was presented that is also used to describe the many parameters and variables that are included into the vignette discussed in this chapter.

- *Evaluative issues*

Concerning evaluative issues, in chapter 4 we have seen that the intricate problem of the troublesome twin criteria for moral climate evaluation only allows for optimal solutions, in which the pragmatic-contingency criterion sets limits to cognitive moral development in accomplishing tasks and assignment. Important is considering the effects of too little or too much morality, in order to prevent moral unhappiness as much as possible as well as arriving at pragmatic fits between either actual or preferred moral climate and the tasks and assignments of the organization, in order to be effective without losing legitimacy.

- *Interventional issues*

As we have seen in the reviews, many researchers and practitioners adopt a "one size fits all" approach when it comes down to moral climate intervention (developing and installing corporate codes of conduct, appointing ethical officers, applying HR instruments, including selection, hiring, rewarding, training, and management development). For the most part, they ignore the issue of taking an explicit stance in the structure-action debate, when choosing people

approaches. They also ignore the issue of the stage specificity of interventions. Instead, individual or collective moral competence can be developed by implementing stage-specific programs of intervention in an N manner (aiming at consolidating or horizontal development) or in an N+1 manner (vertical development) in ways that are stage-sensitive as well. In the meantime, as structuration theory and institutional theory teach us, changing the constraints in and outside the organization often asks for intervention at a higher level (according to the principle of displacement) in order to arrive at effective change. For instance, tasks and assignments of staff can be adapted to broaden the space for moral decision-making space. More in particular, because of their pivotal role, leadership development should gain the fullest attention.

From the perspective of institutional theory, every institutional field has its own institutional logic determining moral climate in the organizations that are part of that institutional field. From an extreme structuralist point of view, moral climate can only change when the institutional logic changes, for instance when government forces organizations to comply with new nation-wide or, if possible, international policies (from the perspective of formal legality). As the development in the banking sector in 2009 showed, only by means of international agreements, the culture of unlimited bonuses as an element or a corollary of moral climate can be attacked. In the meantime, on shop floors, discourse can be arranged in such a manner that the practice of bonuses becomes a prominent topic.

In the next subsection, additional auxiliary elements, including theories, concepts, and hypotheses, are introduced to arrive at thick descriptions of moral climate configurations, in order to arrive at a more useful moral climate theory.

6.3.2 *Auxiliary theories, concepts, and hypotheses*

A moral climate theory based on Kohlberg's theory of individual cognitive moral development can preserve its stage character since the structures of moral argumentation exist both within individuals and in organizations. Though the ontological status differs, the definition of the stages applies to both individuals and larger social systems, in the latter case as a moral fact with a suprapersonal character. This means that the stages distinguished by Kohlberg (completed with a Stage 3/4 concerning the organizational level and with a number of subdivisions), can be used to characterize the stages of moral climate development.

However, a stage theory of moral climate is not very informative without connecting theories and models ("connectivities") explaining the identified moral climate profile of the organization or its formal and informal subsystems. As Phillips (1992, 24) puts it, business ethics lends itself to a social science perspective when striving to understand ethics as a part of the social reality experienced by individuals in their roles as organizational actors. In doing so, it encompasses aspects of anthropology, (institutional) economy, organizational and management theory, sociology, psychology, sociolinguistics, and political science in an interdisciplinary attempt to provide a foundation for understanding ethical and unethical decision-making within and around organizations. In the same vein, to increase the explanatory power of moral climate theory, a nomological network of connectivities needs to be constructed consisting of auxiliary concepts and theories, in order to arrive at thick descriptions of moral climate configurations that pay

attention to the organizational and institutional context of moral climate as well as to its implications and corollaries (and thus is a manifestation of its rhizome-like character).
These connectivities are the theories and models fleshing out the general concepts from the heuristic research model introduced in chapter 2, and can be expanded with new theories and models as the output of further nomadic activities. In this model, on the left side those variables are included that can be considered as *antecedents* of moral climate: environment, strategy, production technology, organization (structure/culture/climate administrative policies and practices), and personnel. Therefore, on the left side, connectivity concern concepts of environment, concepts of strategy, concepts of production technology, concepts of organization (including concepts of structure, culture, and administration), and concepts of personnel. On the right side of the model, those variables are included that can be considered as consequences of moral climate: effectiveness, unethical behavior (including mobbing), trust, conflict styles, learning competencies, job satisfaction, commitment, turnover intentions and rate, and absenteeism. As can be seen in the reviews, an important terminological issue concerns the status of these consequences and the possible circularity of findings. For instance, lack of trust or poor job satisfaction can be viewed as consequences of a particular moral climate, but it can also be defended that this are characteristics of a particular moral climate type. However, since lack of trust and poor job satisfaction can also be caused by other factors, they can have an impact on moral climate as well. This means, that the heuristic research model actually is far more complicated when it includes multi-causal and interactive processes, mediated and moderated by everyday formal and informal conversation (when considered from a structurational point of view). To make the situation even more complicated, the heuristic research model includes also two variables that mediate and moderate moral climate. Leadership (style) is considered as an important mediating factor, whereas (stage of) individual cognitive moral development is an important moderating factor. In fact, the model stresses the importance of (ethical) leadership as a dynamic factor and suggests that stage of individual cognitive moral development sets limits to moral climates (such as, a Stage 5 social contract climate can never be establishes with Stage 3 employees).

At this point, the issue arises as to which theory or theories can or need to be selected. As Morgan (1986) shows in his *Images of Organization*, the way you observe determines what you see and what remains unnoticed. Since organization theoreticians, researchers, and practitioners have a wide variety of theories at their disposal, selection is not easy and will be guided by academic personal preferences, commonly accepted theories and models, as well as accidental reading (as inevitably happened in the present study as well).
In the present study, in order to construct a nomological network, I have chosen to include those connectivities that I am familiar with and that have proven their meaningfulness (at least to me), while recognizing that these choices are limitations as well. For now, this means that the thick descriptions of moral climate stages presented in the next subsections below derive much of the meaning of the concepts used. By implication, moral climate theory can get a new impetus with every new auxiliary theory introduced as connectivity.

In order to turn the connecting theories and models into a fruitful nomological network, I apply

Mintzberg's approach used in his *Structures in Fives* (1983, 123-150). His sixteen hypotheses concerning fitting organization design to situation:

1. The older the organization, the more formalized is behavior.
2. Structure reflects the age of founding of the industry.
3. The larger the organization, the more elaborate its structure (the more specialized its tasks, the more differentiated its units, and the more developed its administrative component).
4. The larger the organization, the larger the average size of its unit
5. The larger the organization, the more formalized it is.
6. The more regulated the technical system, the more formalized the operating work and the more bureaucratic the structure of the operating core.
7. The more sophisticated (difficult to understand) the technical system, the more elaborate the non-operating structure – specifically, the larger and more professional the support staff, the greater the selective decentralization (to that staff), and the greater the use of liaison devices (to coordinate the work of that staff).
8. The automation of the operating core transforms a bureaucratic administrative structure into an organic one.
9. The more dynamic the environment, the more organic the structure.
10. The more complex the environment, the more decentralized the structure.
11. The more diversified the organization's markets, the greater the propensity for it to split into marked-based units (given favorable economies of scale).
12. Extreme hostility in its environment drives any organization to centralize its structure temporarily.
13. Disparities in the environment encourage the organization to decentralize selectively to differentiated work constellations.
14. The greater the external control of the organization, the more centralized and formalized its structure.
15. The power needs of the members tend to generate structures that are excessively centralized.
16. Fashion favors the structure of the day (and of the culture), sometimes even when inappropriate.

Analogous to Mintzberg's approach, hypotheses can be formulated concerning moral climate types, profiles, and configurations, in order to increase the explanatory power of the typology of moral climate.
The hypotheses concern auxiliary concepts and theories connected to moral climate types, and involve dependent, independent variable, moderating and mediating variables that are arranged according to the five concepts discussed in chapter 3: concepts of environment, concepts of strategy, concepts of production, concepts or organization (structure, culture, administrative principles), and concepts of personnel. Each of these concepts is substantiated by using current, popular, and if possible validated concepts, theories, and models, whereas relations between these concepts and moral climate are specified in terms of hypotheses concerning moral climate configurations.

As was stated earlier, at first sight, some of the hypotheses may appear circular, especially, when

moral climate is taken as the independent variable and the dependent variables seem to be a defining element of thick moral climate type descriptions. However, these variables may also be influenced by other factors, and thus possibly affect moral climate, on their turn.
When moral climate is taken as a dependent variable, hypotheses referring to different concepts may be closely connected related and follow from each other. In line with institutional theory and theories of organizational configurations, these factors look forward for each other, in a manner of speaking, and often will be found in combination, whereas other combinations are not likely to occur because they put off each other due to their adverse characteristics.
In these hypotheses, discrete ("pure") moral climate types are the central notion. In organizational reality, things are more complicated when considering composite moral climate profiles, and considering differences across formal subsystems of an organization and differences between formal and informal subsystems (cliques). In the next part, hypotheses are formulated from the left side of the heuristic research models (antecedents) via the middle part (mediators and moderators) to the right side (consequences), partly inspired by the research discussed in chapter 5. These hypotheses are derived from the two tracks of described in chapter 3, 4, and 5.

The hypotheses on the left side (antecedents) are mostly inspired by conceptual analysis (there is surprising little research considering antecedents of moral climate), whereas hypotheses concerning the middle part and the right side are inspired largely by moral climate research considering aspects (including leadership) of moral climate and all sorts of outcomes.

A. The Left Side: antecedents

The greater part of moral climate research consists of attempts of validating the respective models, and typologies, evaluating instruments, and examining consequences of moral climate (types). Only a small part of the research contributions concerns antecedents (Bourne & Snead, 1999; Brower & Shrader, 2000; Cohen, 1993; Cohen, 1995; Cohen, 1998; Colquitt, Noe & Jackson, 2002; Deshpande, George & Joseph, 2000; Erakovich, Bruce & Wyman, 2002; Forte, 2004b; Lemke, 1994; Neubaum, Mitchell & Schminke, 2004; Nwachukwu & Vitell, 1997; Parboteeah, Cullen, Victor & Sakano, 2005; Treviño, 1986; Treviño, 1998; Upchurch & Ruhland, 1995/1996; Upchurch, 1998; VanSandt, Shepard & Zappe, 2006; Weber, 1995; Weber & Seger, 2002; Weber & Gerde, 2010; Wimbush, Shepard & Markham, 1997a; Wittmer & Coursey, 1996).
Of course, of the most important antecedents is the stage of moral development of founders. As Treviño (1990, 202-205) puts it, the founder of a new organization is thought to play a particularly important culture-creating role, since this founder has a vision for what the new organization should be. Founders may personify the culture's values, providing a role model for others to observe and follow, and guiding decision-making at all organizational levels. Since, for the greater part (apart from Richard Bronson and Bill Gates characters), founders are only active in simple structures, this type of antecedent is understood as leadership, being an mediating variable, represented in the middle part of the model and discussed bellow separately.
Furthermore, without mentioning specific research contributions (for an overview, see chapter 5), there is much support for the claim that types of industry have their specific moral climate type due to characteristics of that branch and forms of regulation (either governmental or self-regulation). A brief drive roundtrip across the extant research offers the following impressions

(arranged in alphabetical order):
Bourne and Snead (1999) found regional differences in ethical climates lending support for the important role of community norms in affecting the ethical components of an organization.
Brower and Shrader (2000) found that boards of directors in not-for-profit organizations were more likely to describe their organizations' climate as "benevolent," whereas boards of directors from for-profit firms tended to view their organization as having an "egoistic" climate, hence demonstrating that type of organization is an influential variable.
Cohen (1993; 1995; 1998) explored the question of internal antecedents, suggesting specific organizational processes that could affect moral climate. In her 1993 contribution, Cohen considers the organization's environment as an important variable. As she puts it, the more uncertain and unpredictable this environment is, the greater the constraints to act unethical behavior (as a means to achieve organizational goals like gaining profit) possibly are. Especially this profit focus of corporations heightens the probability that employees will feel compelled to engage unethical or illegal practices in order to reach organizational objectives. However, unlawful behavior also occurs in non-profit organizations because their survival is also economically based, and thus similar pressures to achieve institutional objectives may exist and individuals may be expected to respond to these pressures with unethical and/or illegal actions. A culture of means justifying the ends can create anomie. Both formal and informal manifestations of these organizations' culture foster a work climate that minimizes the importance of ethical concerns, and may actually even encourage unethical practices. Formal manifestations of culture include the dimensions of leadership (discussed below as a mediating variable), structure, policies, reward systems, support, socialization mechanisms, and decision-making processes. Aspects of informal culture include implicit behavioral norms, role models, rituals, historical anecdotes, and language. Cohen mentions the suggestion of Victor and Cullen that the instrumental climate produces the highest incidence of unethical behavior and criminal behavior. Thus, employees in instrumental climates may be prone to the type of psychological responses to anomie, particularly when the organizational environment presents attractive opportunities to engage in unethical practice (Cohen, 1993, 346-348; Cohen, 1995).
In her 1998 contribution, Cohen stresses the importance of organizational goal setting as the key determinant of whether or not employees will engage in unethical and criminal activities. Goal setting influences organizational climate in a fivefold way: (a) which goals are typically selected; (b) how goals are usually reached, (c) how goal attainment is typically rewarded, and (d) what kind of goal-seeking behavior is generally supported by the organizational task-structure or (e) socio-emotional context. Cohen (1998, 1218) then pictures a few images of how things can go wrong:

- High rates of misconduct occur in organizations with an overemphasis on goal attainment and an inadequate emphasis on following legitimate procedures, that is, where ends take precedence over means and the potentially harmful consequences of a decision are ignored.
- Organizational norms for rewarding, or even fail to punish morally questionable actions increase the likelihood of such behavior.
- Norms for compartmentalized task structure often have the same effect since they discourage interdependence and accountability.

- When organizations lack norms for trustworthy relationships, the social fabric of the system breaks down, interpersonal responsibility decreases, individuals become opportunistic and misconduct often becomes prevalent in the firm.

Especially the third image – concerning compartmentalized task structure – contains a key factor, to be addressed in the subsequent sections. In her 1998 contribution, Cohen also focuses on technical, political, and cultural processes as dynamical antecedents of moral climate. Political processes involve power distribution, decision-making (means-emphasis), and strategy formulation. Technical processes include all activities pertaining to production. Cultural processes involve the creation of both formal and informal socialization to establish behavioral norms (more on Cohen's approach in section 6 of the review part of the present study). Since Cohen does not use an own typology, yet referring incidentally to the typology of Victor and Cullen, she seems to a adopt an evaluative concept of moral climate, in terms of more or less moral, which makes her contribution not as informative as it could have been.

Colquitt, Noe, and Jackson (2002) found that team size and team collectivism were significant antecedents of procedural justice climate level, and team size and team demographic diversity predicted climate strength.

Dempster, Freakley, and Parry (2001) investigated the impact of new public management on public school ethical climate.

Deshpande, George, and Joseph (2000) found that rules climate was most common and independence climate was least likely to be found within a Russian organization. Although there was no comparison made to other countries, they suggest that national culture may affect ethical climate. In a subsequent research (Deshpande, Joseph & Shu, 2010), Chinese culture was examined as an antecedent variable.

Erakovich, Bruce, and Wyman (2002) tried to answer the question what are the critical organizational cultural factors found in public organizations accounting for differences in ethical climates. These factors include leadership, structure, organizational support, cohesion, and innovation. They hypothesized and found that in public organizations:

- greater levels of informal organizational structure are positively associated with higher levels of ethical criteria in the organizational ethical climate,
- greater levels of organizational support are positively associated with higher levels of ethical criteria in the organizational ethical climate
- greater levels of organizational cohesion are positively associated with higher levels of ethical criteria in the organizational ethical climate
- greater levels of organizational innovation are positively associated with higher levels of ethical criteria in the organizational ethical climate.

Although Forte (2004b) did not find any differences between different industry types, this variable may be an important antecedent of moral climate.

Goldman & Tabak (2010) found demographic characteristic as a determining variable.

Joseph and Deshpande (1997) suggested that increased government influences, pressure from insurance companies, and competition have forced many hospitals to improve services and lower prices, and hence, have a negative impact on ethical climate.

Lemke (1994) assessed the impact of organizational structure variables on the development of ethical climates as included and defined in the typology by Victor and Cullen. Lemke (1994, 64)

hypothesized that organizations that are more mechanistic will have a greater likelihood of having a Law and Code or Rules climate type, whereas organizations that are more organic will have a greater likelihood of having an Independence or Instrumental climate type. Both the Rules and Law and Code climate types showed significant relationships with organization structure. Organizations that were more formalized and less standardized were likely to have developed a Rules climate type. Thus, Lemke found support for the first part of hypothesis. However, since he did not find antecedents for the Caring, Independence and Instrumental climate type, the second part of his claim was not supported empirically (1994, 65).

Neubaum, Mitchell, and Schminke (2004), using the typology of Victor and Cullen, found that smaller firms exhibited more positive ethical climates for caring, rules, and law and code.

Nwachukwu and Vitell (1997) considered five categories of situational factors that moderate ethical decision-making, including cultural environment, professional environment, industry environment, organizational environment, and personal characteristics.

Parboteeah, Cullen, Victor, and Sakano (2005) examined the effects of Japanese and U.S. national cultures on ethical climates in accounting organizations. They found that there were no differences in egoistic-individual climates, but that the U.S. employees have higher individual-benevolent, local-benevolent, and principled-cosmopolitan climates.

Treviño (1986; 1990) emphasizes organizational culture as an important factor influencing moral climate, while distinguishing formal and informal cultural systems. Formal systems include leadership, organizational structure, policies and codes, reward systems, orientation and training programs and formal decision-making processes. Informal cultural systems include informal norms, heroes and role models, rites and rituals, myths and stories, and language. As such, Treviño embraces a broad concept of culture, yet identifying apparent causal factors. Of interest is her discussion of organizational structure as an element of formal culture, much in line with the ideas of Cohen aforementioned. According to Treviño, organizational structure frequently reinforces, and sometimes creates problems of authority and responsibility, because of the hierarchy of authority, a division of labor or specialization, standardization of activities, and a stress of competence and effectiveness. Especially people's natural tendency toward unquestioning obedience to authority figures can be a real threat to the organization's attempt to build individual responsibility into its ethical culture. Moreover, many managers spend a great deal of their energy to avoid blame, by delegating responsibility to those at lower levels in the organization. The organizational structure can also fragment jobs and activities and prevent employees to see 'the big picture'. According to Treviño, the ethical culture must incorporate a structure that emphasizes and supports individual responsibility and accountability at every level: persons must be encouraged to take responsibility for their actions and must be held accountable for negative consequences when they occur. Apart from emphasizing culture, Treviño (1990, 213) keeps an eye open for environment when stating that in general, the catalyst and pressure for culture change comes from the organization's environment, for instance, type of regulation within an industry.

Upchurch & Ruhland (1995; 1996) and Upchurch (1998) found within-branch differences, such that different types of hotel properties affected ethical climate perceptions.

VanSandt, Shepard & Zappe (2006) found differences in ethical climate, influenced by the type of industry when comparing a publicly traded regional bank, a small engineering/survey

firm, a manufacturing plant owned by a Japanese conglomerate, a non-profit organization, a police department, a large utility company, and a retail grocery.
Venezia and Gallano (2008) found differences in ethical climate due to differences in national culture background, notably between Taiwanese and Filipino culture.
Weber conducted two studies on the type of departments in organizations (Weber, 1995; Weber & Seger, 2002) and found that ethical subclimates may be determined by the strength of an organization's overall ethical climate, rather than by the department's form and function.
Weber and Gerde (2010) found that environmental uncertainty as an element of task or mission of military units had an impact on moral climate on those units.
Wimbush, Shepard, and Markham (1997a) found that distinct ethical climates predominated in the various departments, suggesting that the structure of a department affects the formation of ethical climates.
Wittmer and Coursey (1996) found that employees working at public institutions had less favorable perceptions of ethical climate than those working in private institutions.
In sum, antecedents were found in national cultures, regional differences, industry or business type, type of organizational structure (organizational form and department structure), organizational culture (including team collectivism), and size of the organization and teams within the organization. Important conspicuous absentees are business strategy and business processes as antecedents of moral climate. Cohen is the only contributor emphasizing these variables.
Let us now consider antecedents from the perspective of the model outlined before and use auxiliary theories and concepts (connectivities), in order to arrive at thick descriptions of moral climate types, based on selected hypotheses in line with the approach of Mintzberg.

- *Concepts of environment*

The external context is an important parameter. In its most general fashion, Johns (2006, 386) defines context as the situational opportunities and constraints that affect the occurrence and meaning of organizational behavior as well as functional relationships between variables. Any concept of environment involves an assessment of the importance and impact of external trends upon the functioning of the organization, including demographical, social, technological, economical, and political trends and phenomena[113]. When constructing moral climate theory, those trends and phenomena should be recognized that affect moral climate, directly or indirectly.
Examples of a demographic trend are the increasing diversity among work force (Lemmergaard, 2004; Stewart et al, 2010) and the increasing educational level and high aspirations of newcomers on the labor market (Bennink, 2009). Political parameters trends include existing laws and (de)regulations, whereas juridical trends concern the introduction, adaptation, or abolition of legislation. Influencing phenomena include unclear or contradictory laws and the common experience that unlawful behavior remains unpunished. As we have seen in chapter 4, Stage 4 moral reasoning gets its concrete meaning against the background of the juridical system and the dominant form of legality in a particular society as well the position this society takes on the liberalism-communitarianism continuum. Social trends involve diminishing social control because of the disentanglement and breakdown of traditional community relations (family,

neighborhood, labor union, church, and club life). Social trends also involve contradictory or dissolving values and norms, or poor enforcement leading to moral disorientation or even anomie, and bad exemplary behavior of societal big shots. A final social trend concerns two types of people emerging, one of which is the calculating citizen with decreasing involvement with public affairs and interests, whereas the other is the critical consumer asking for moral responsiveness. Economic trends involve the type of competition that can be ruinous, strong, or weak, (Van de Ven & Jeurissen, 2000) or, in other terms, competitors may be hostile, unfriendly, friendly, or neutral (Jurkovich, 1974, 392).
Other auxiliary concepts to typify the organizational environment include the concept of uncertainty and two dimensions in dealing with uncertainty (Duncan, 1972, 313, 315, 316, 321, 325). Uncertainty can be defined as the logarithm of the number of possible outcomes an environmental influence can have. Uncertainty consists of three components: (1) the lack of clarity of information, (2) the long time span and unknown contents of definitive feedback, and (3) the general uncertainty of causal relationships (understood as the inability to assign probabilities with any degree of confidence with regard to how environmental factors are going to affect the success or failure of the decision unit in performing its function) (Lawrence & Lorsch, 1967, 27; Duncan, 1972, 318).

Of the two dimensions, the simple-complex dimension is defined as the number of factors taken into consideration in decision-making. The simple part of the simple-complex dimension deals with the degree to which the factors in the organization's environment are few in number and are similar to one another in that they are located in a few components. The complex part indicates that the factors in the environment of the organization are large in number. The static-dynamic dimension concerns the degree to which these factors in the organization's environment remain the same over time or are in a continual process of change, as well as the frequency with which new and different factors are included in the decision-making process.

Duncan's research results indicated that individuals in organizations with dynamic-complex environments experienced the greatest amount of uncertainty in decision-making, whereas overall the static-dynamic dimension contributes more to uncertainty than the simple-complex dimension. In a dynamic environment with its many possible outcomes, it is difficult to have available the relevant information for the decision-making situation. This forces the organization to readapt by learning new methods since there are no past procedures and practices to rely on, regardless whether the environment is simple or complex. When combining these dimensions, a scheme comes into existence that describes various modes of uncertainty (see next page).
Duncan also found that specific types of organizations have their own type of environment, for instance, complex dynamic environments for research and development organizations and simple static environments for manufacturing organizations (findings that are in line with institutional theory).
Therefore, Duncan (1972, 322) considers it important to ask whether it is the nature of the environment or the type of organization that is most important in an organization experiencing uncertainty. However, statistical analysis of data showed that the nature of the environment rather than the kind of organization is most important in explaining the degree of uncertainty.

	simple	complex
	low perceived uncertainty	**moderately low perceived uncertainty**
static	(1) Small number of factors and components in the environment (2) Factors and components are somewhat similar to one another (3) Factors and components remain basically the same and are not changing	(1) Large number of factors and components in the environment (2) Factors and components are not similar to one another (3) Factors and components remain basically the same
	moderately high perceived uncertainty	**high perceived uncertainty**
dynamic	(1) Small number of factors and components in the environment (2) Factors and components are somewhat similar to one another to one another (3) Factors and components of the environment are in continual process of change	(1) Large number of factors and components in the environment (2) Factors and components are not similar to one another (3) Factors and components of environment are in a continual process of change

Jurkovich (1974, 381) suggests - when compared to the typology of Duncan - a far more complicated typology. He distinguishes no less than 64 types of organizational environments, in terms of several general characteristics, including (1) complexity, (2) the routineness or non-routineness of a problem-opportunity state (3) the presence of organized or unorganized sectors-elements or units of the environmental field (4) and the issue of whether such sectors are directly or indirectly related to the organization. Not all elements are equally relevant to moral climate theory, only two of these elements are discussed, the "routine" element and the "organized" element. Of the other elements, the stability or instability of change may not be relevant, whereas the change rate is (as in Duncan's typology). Therefore, though the four types of environmental movement distinguished by Jurkovich (1974, 388) - low, stable change, high, stable change, low, unstable change, and high, unstable change may have different effects on an organization, their impact on moral climate is not considered.
Of little relevance is also the distinction between degrees of relatedness to the organization. Stakeholder theory offers a far more detailed account of this issue, and for now, the type of governmental regulation and type of competition are the important elements, discussed above.
In this typology, the complexity element can be refined by distinguishing routine and non-routine solutions for problems posed from the environment. According to Jurkovich (1985, 383), the degree of (non)routineness will be determined by the state of the information problems in three forms. People complain that (a) they cannot gain access to critical information, (b) they cannot trust a significant portion of the information, or (c) the set of information categories they need for decision-making is uncertain. The higher the percentage of members with information problems and the more severe those problems, the more non-routine the problem-opportunity state is. This distinction may bear relevance to moral climate theory, in the following way. Non-routine problems ask for advanced modes of learning and space for (moral) decision-making, whereas routine problems do not. Therefore, in organizations with non-routine problems, the stage of moral climate can expected to be higher than in organizations with routine problems, at least in professional organizations where staff has both unique expertise and discretionary power. In for-profit organizations, there may be a tendency to centralize power and use the coordination mechanism of direct supervision.

Finally, the distinction between organized and unorganized sectors may be relevant to moral climate theory. According to Jurkovich (1974, 385), an organized sector refers to another organization or cluster of organizations covered by a formal rule set that is legitimate only for the role set intended by those rules. An unorganized sector refers to those actual or potential customers who use the organization's goods and services but are not bound together by formal or informal rules requiring patterned coordinated interaction to reach formally defined goals. The most important distinction between the two is that organized environments are generally easier to come to grips with than unorganized sectors. However, Jurkovich idea of "organized" needs some clarification, since he connects "organized" too easily with other organizations (competitors?) and "unorganized" with customer groups. As I see it, the concepts of organized and unorganized apply to both categories, and perhaps to other categories as well (for instance, action groups and unionized work force).
To get things straight, it can be hypothesized, that when "organized" organizations (either in a branch organization or in production-distribution chains) have agreed upon some formal legitimate (to exclude fraudulent branches, such as the mafia) rule set (through self-regulation, covenant, branch code), moral climate tend to reflect conventional moral reasoning (Stage 3/4 or Stage 4). The reverse need not be true, since "unorganized" organizations may also exhibit higher stages of moral reasoning. The presence of "organized" client or customer groups, action groups, or unions with legitimate claims and expectations may invite, tempt, or force organizations to adopt at least a conventional moral climate to grant these claims and meet these expectations. Here too, the reverse need not be true. The absence of organized client or customer groups or action groups, and unorganized work force need not imply low moral standards and a lower stage moral climate.

These considerations can be translated into the following hypotheses concerning environment and moral climate:

HE1: The older and larger the organization, the more formalized its behavior will be through rules and procedures, the bigger the chance that this organization have a Stage 3/4 company climate or a Stage 4 community climate (depending on the nature of the rules and procedures, organizational or societal) (type of economic system, type of legality, position on the liberalism-communitarianism continuum, national cultures).

HE2: The greater the external control of the organization, the more centralized and formalized its structure, though the effects on profit organizations differ from the effects on not-for-profit organizations, governmental organizations, and non-governmental organizations.

HE2a: The more an organization is sincerely committed to laws and regulation, the bigger the change that this organization has a Stage 4 community climate (with type of economic system, type of legality, position on the liberalism-communitarianism continuum, and national cultures as specifying variables).

HE2b: The more unfriendly or even fierce or hostile competition is, the bigger the chance that an organization has a Stage 2 exchange climate, or a Stadium 1 climate for punishment climate, because of its tendency to centralize its structure (temporarily) and cutting costs,

though weak or friendly competition does not imply a tendency to higher moral climates.

HE2c: The more organizations and customer or client groups as external stakeholders are organized, the bigger the change that these organizations exhibit conventional morality and have a Stage 3/4 company or a Stage 4 community climate.

HE3a: The more complex the environment, the more decentralized the structure, and hence the bigger the chance that subclimates will emerge.

HE3b: The more diversified the organization's markets, the greater the propensity for it to split into marked-based or client-group based units (given favorable economies of scale), and hence the bigger the change that sublimates will emerge.

HE4a: The higher the uncertainty in the environment, the lower the stage of moral climate in for-profit organization (due to centralization of power), and the higher the stage of moral climate in non-routine not-for-profit organization (due to the unique expertise of professionals).

HE5a: The level of education of newcomers on the labor market is not a decisive factor for the type of moral climate.

HE5b: Due to processes of individualization and fragmentation in a liquid society, it will increasingly difficult to establish or consolidate a Stage 3/4 company climate.

- *Concepts of business and strategy*

Speaking generally, strategic factors can influence moral climate and organizational morality. For instance, the absence of clear mission and a vision on organizational responsibilities can create unclear expectations of stakeholders being left entirely at the mercy of those accidentally making decisions while evoking ambivalences and opportunistic behavior, as does the limited orientation on stakeholder interests or short-term interests. Focusing on cost reduction because of fierce competition may also both evoke moral issues and moral blindness, and may lead to "corporate anorexia" (fixation on cost reduction, low morale, low quality, high pressure of work, high turnover rates) or downsizing ("rightsizing") leading to "dumbsizing" (laying off workers or, more specific, middle management or staff, without being aware of the consequences). Global sourcing - removing parts of the production lines to those parts of the world where they can be carried out cheapest - creates employment in those parts, but increases unemployment figures in the homeland.

Many authors sought to identify distinct strategy approaches in order to assess whether certain strategies yield superior performance. In the same vein, connections can be sought between corporate strategies and organizational morality, for instance, by considering the impact of strategy upon moral climate, or reversely, by asking which type of moral climate is necessary to carry out a particular strategy. In doing so, we have several typologies and models at our disposal, including distinctions made by Porter (1980), O'Shaughnessy (1984), Miller (1986), Schuler and Jackson (1987), and Douma (2004).

- Porter's generic strategies include the focus strategy, the differentiation strategy, and the low cost strategy. This strategy scheme is based upon two dimensions. The first dimension concerns the breadth of the product market served (a *focus* strategy, resting the premise that the firm is able to serve its narrow strategic target more effectively or efficiently than competitors are). The

second dimension concerns the extent to which the firm either differentiates in order to reduce monetary price sensitivity (a *differentiation* strategy) or relies on achieving low costs of operations (a *low cost* strategy, often interpreted as offering low prices to customers).

- O'Shaughnessy (1984) distinguished five key marketing strategy variables, including
  - marketing objectives: defensive, hold or prevent decline
  - strategic focus: expand market, win share, or focus on internal productivity
  - market targeting: whole market, selected segments, or individual customer
  - quality positioning: quality higher, the same, or lower as competitor
  - price positioning: above, the same, or lower than competitors.

- Miller (1986) distinguished four strategic variables that can be used to compare firms' competitive advantages within and across industries:
  - differentiation and innovation (creating products and services that are perceived as uniquely attractive or offering product quality, good services, convenient locations, and attractive package)
  - cost leadership (including cost reduction, capacity utilization, using scale facilities while striving to produce goods or service cheaper than competitors do)
  - focus (niche strategy concentrating the firms' attention on a specific type of customer, product, or geographic locale)
  - asset parsimony (fewness of assets per unit output in order to remain flexible).

  Miller describes how these variables may interact and can be connected with the organizational configurations distinguished by Mintzberg discussed below).

- Schuler and Jackson (1987, 208) connect competitive strategies with human resource management practices. In line with the concepts of strategy presented above, they distinguish between three strategies:
  - The *innovation* strategy is used to develop products or services different from those of competitors; the focus is on offering something new and different (work innovative by making new products and services, code word: *new*).
  - The *quality* strategy has its focus on enhancing product and/or service quality (work smarter by making better products and services, code word: *better*),
  - The *cost reduction* strategy typically attempt to gain competitive advantages by being the lowest cost producer (work harder and make cheaper products and services, code word: *cheaper*).

Although Schuler and Jackson base their distinction on Porter's work, they do not adopt his differentiation strategy (work differently by producing a greater variety of products and services, code word: *diverse*). In the discussion of the other strategies, the differentiation strategy will be addressed briefly and its specific features considered. Each strategy requires specific role behaviors (skills, knowledge, and abilities) of personnel in order to carrying out that strategy properly. These employee role behaviors can arranged into several categories, including (Schuler & Jackson, 1987, 209):

- highly repetitive, predictable behavior versus highly creative, innovative behavior,
- short-term versus long-term focus

- highly cooperative, interdependent behavior versus highly independent, autonomous behavior
- very low concern for quality versus very high concern for quality
- very low concern for quantity versus very high concern for quantity
- very low risk taking versus very high risk taking
- very high concern for process versus very high concern for results
- high preference to avoid responsibility versus high preference to assume responsibility
- very inflexible to change versus very flexible to change
- very comfortable with stability versus very tolerant of ambiguity and unpredictability
- narrow skill application versus broad skill application
- low job (firm) involvement versus high job (firm) involvement.

Schuler and Jackson (1987, 209-211, 213) indicate for each strategy the required employee role behaviors. Firms pursuing a strategy of *innovation*, expect a high degree of creative behavior, a longer-term focus, a relatively high level of cooperative, interdependent behavior, a moderate degree of concern for quality, a moderate concern for quantity, an equal degree for concern for process and results, a greater degree of risk-taking, and a high tolerance of ambiguity and unpredictability. This demands selecting highly skilled individuals, giving employees more discretion, using minimal controls, making a greater investment in human resources, providing more resources for experimentation, allowing and even rewarding occasional failure, and appraising performance for its long-run implications. Because of these conditions, Schuler and Jackson predict feelings of enhanced personal control and morale, and a greater commitment to self and profession rather than to the employing organization.

A strategy of *quality* enhancement demands relatively repetitive and predictable behaviors, a more long-term or intermediate focus, a modest amount of cooperative, interdependent behavior, a high concern for quality, a modes concern for quantity or output, high concern for process (how the goods or services are delivered), low risk-taking activity, and commitment to the goals of the organization. Consequently, because of high levels of employee participation and extensive and continuous training and development, employees will be more committed to the goals of the organization.

A strategy of *cost-reduction* demands relatively repetitive and predictable behaviors, a rather short-term focus, primarily individual activity, modes concern for quality, high concern for quantity and output of goods and services, primary concern for results, low risk-taking activities, and relatively high degree of comfort with stability. Reducing the number of employees, working with temporary work force, work simplification, measurement procedures, automation, work rule changes, and job assignment flexibility all share the goal of reducing output cost per employee. Therefore, there will be narrowly designed jobs and career paths, low wages, poor working conditions, results-oriented performance appraisal, and minimal levels of employee training and development in order to maximize efficiency.

A specific strategy is the *differentiation* strategy, meaning that a variety of products and services is offered in terms of a broader and deeper assortment. Within a differentiation strategy, the other three strategy types can easily be incorporated and bring in their own specification and HR demands. Since a differentiation strategy serves a diversified market with distinct business units, there possibly also exists a diversification in moral climate, that is, a propensity for emerging subclimates.

In line with the present study, one might ask whether each strategy also requires a specific moral climate. At least, from these descriptions, it can be inferred that a cost-reduction strategy may inevitably lead to a Stage 2 exchange climate, whereas a quality strategy goes together with a Stage 3/4 company climate. When quality refers to societal rules (for instance, ISO-2000) a quality can also go together with a Stage 4 community climate. It is not clear what climate type goes along with an innovative strategy. In line with the descriptions of Schuler and Jackson, it apparently is not a Stage 3/4 company climate. This conclusion need not be convincing, since one can imagine rather easily that innovating employees feel committed to their company and its products and services (in line with a Stage 3/4 Company climate).
An innovative strategy may also go together with a Stage 2 exchange climate when innovating employees go for themselves or with a Stage 4 community climate when they refer to professional rules. As was mentioned earlier, a differentiation strategy can go together with the other strategies and hence can exhibit the corresponding moral climate type. Furthermore, the differentiation in products and services may lead to distinct business units and moral subclimates.

Douma (2004) distinguishes several types of cooperative strategies, from strategic alliances, vertical integration, to mergers and takeovers (and tacit price-fixing as less desirable cooperative strategy). Of these cooperative strategies, only mergers and takeovers may have immediate impact upon moral climate, for instance when departments, units, or teams are consolidated into new departments, units, or teams.

> A case not included in the present study as an elaborated vignette ("Streekziekenhuis Koningin Amalia") concerns two hospitals that merged into one new hospital on a new location. Nursing wards and their staff were put together without further introduction. Management underestimated the severe impact of this organizational change. The hospitals had rather different perspectives on medical care, one of which was focusing on patient care (no matter the organizational consequences, or otherwise), in a Stage 3 inclusion climate manner, though some nurses explained their caring behavior in terms of moral principles of respect and dignity. The other hospital mainly focused on sticking to the rules, in a Stage 4 community climate like manner. It took about eight years to establish a Stage 4 community climate while preserving strong attitudes of care that were based on general policies instead of accidental and limited sympathies. Nurses of the first (caring) hospital claimed that they were no longer allowed to work on a principled (post-conventional) base.

In can be inferred from this case description that in case of mergers, a close examination of possible differences in culture in general and possible differences in moral climate and paying the proper attention to these differences, can prevent both ineffectiveness and loss of legitimacy.
The problem with each of these ways of distinguishing strategies is that they suffer from three major flaws, to a more or lesser degree:

- the strategies are designed as ways to cope with environment and lack translation to concepts of production, organization (including moral climate), and personnel (with Schuler and Jackson as one of the exceptions)
- all authors confine themselves to competitive strategies, thus ignoring strategies of cooperation

- the authors do not deal with strategies of sustainability and corporate social responsibility.

The first issue implies difficulties in formulating hypotheses concerning the relationship between type of strategy and moral climate type, profile, or configuration. Concerning the second issue, some additional hypotheses are formulated regarding mergers and takeovers. The third issue needs some further exploration concerning the identification of the nature of this type of strategy. In the first place, these strategies can be considered a special form of innovative strategies, especially when new, safer, ecologically sound, and more sustainable products are developed. Generally speaking, a strategy of sustainability and corporate social responsibility will be at odds with a cost reduction strategy, even when in the long run these strategies lead to competitive advantages (for instance, because of their image). Furthermore, it should be specified what makes a strategy sustainable and socially responsible. Using less water for each bottle of Coca-Cola - from 4.5 liters of water to 2.2 liters of water per liter Coca-Cola - does indeed save water, and hence seems innovative, the product itself is not. Only when Coca-Cola is made with less sugar and no caffeine, and promotes a different life style, the product itself is innovative. However, important to moral climate theory is not so much the what (product or service) or the how (the way it is produced), but the motivation to do so (the why). Strategies of sustainability and corporate social responsibility (S&CSR) can have tremendous spin-offs, concerning risk management, reputation management, employee work satisfaction and commitment, improved relations with the local community, increasing stakeholder trust, preferred supplier status, client loyalty, positive attention of the media, innovative capacity, learning capacity, improved financial performance, and hence, competitive advantage and being an attractive employer and business partner (Moratis & Van der Meer, 2006, 25).
What strategies of sustainability and corporate social responsibility exactly look like, depends on choices made regarding what, how, and why. Concerning the why, Jonker & Van Pijkeren (2006, 144) distinguish several approaches in which stages of moral reasoning can be presumed or recognized:

- The *risk* approach is driven by the fear of harm concerning either reputation or material aspects by paying attention to external communication and monitoring processes by means of management systems.
- The *sponsor* approach is by spending money for good causes of social, cultural, or sports nature.
- The *community* approach means supporting civic organizations and targets and hence contributing to societal developments without changing the organization as such.
- The *identity* approach is driven by or inherent to the identity and the culture of the organization, by making strategic choices based on core values and managing the organization according to it. These choices affect activities regarding stakeholders and products, services, concepts, and processes.
- The *differentiation* approach considers S&CSR as a special and additional value proposition. In addition to current products and services, a portfolio is offered of products, services, concepts, and processes that are sustainable and social responsible (such as sugar-free Coca-Cola and sound coffee).

- The *innovation* approach considers S&CSR as chances to answer changing questions and demands from the environment proactively by offering new products and services and arrive at competitive advantages (at least temporarily).

Organizations can and will combine or change approaches. In any case, S&CRS should lead to innovations, concerning products, services, concepts, or production processes, and if possible, all of them. The point is, that any organization wanting to pursue S&CRS, needs to embed this strategy properly (that is, deeply) in the organization and translate it to HR-policies that match and support this strategy in order to make it effective and credible. The question is whether the present moral climate matches the intended S&CRS activities, since it are people that have to carry out the strategy and perform the activities, if possible best for the good reasons, to avoid window dressing (boasting website talk) and subsequently, loss of legitimacy and effectiveness.

The last distinction to be discussed here concerns the strategic position of the organization, apart from the contents of the strategy. Strategic position means the way of dealing with the environment and its contingencies. Van Laanen, Puijster, and Baaijens (1987) identified three strategic positions that deal with uncertainty by reducing or controlling it or taking it as a challenged, respectively.

- The *stable-reactive* position is a following approach considering uncertainty as less desirable or even as a threat. Predictability and manageability are key words, whereas planning is the magic word.
- The *adaptive-incremental* position considers uncertainty as inevitable and controllable. Uncertainty cannot be reduced, but can be anticipated by continuous small adaptations. This way of positioning can easily be understood as the absence of a real strategy, manifesting itself in "muddling through".
- The *renewing-ad hoc* position considers uncertainty as a challenge and explains in terms of new chance; the key words are acceptance of risk, alertness, and flexibility.

It should be noted, that this distinction only becomes informative when connecting it to the other strategic distinctions aforementioned. Therefore, no specific hypotheses can be formulated with regard this distinction. However, when constructing thick descriptions of moral climate types, the terms can be used to typify specific moral climate types.

Concerning the relations between strategy and moral climate, the following hypotheses can be postulated:

HS1: Cost reduction strategies have a tendency to evoke lower stages moral climate (notably a Stage 2 exchange climate or even a Stage 1 climate for punishment) because they tend to consider personnel as puppets rather than people.

HS2: Quality strategies go together with a Stage 3/4 company climate or with a Stage 4 community climate when nation-wide or international norms for quality are the points of reference.

HS3a: Innovative strategies go together with a Stage 2 exchange climate (when the organization is considered as a means for developing own innovative competencies).

HS3b: Innovative strategies go together with a Stage 3 inclusion climate when the team of

innovators is their primary point of references,.

HS3c: Innovative strategies go together with a Stage 3/4 company climate when innovation is considered as fostering the organization.

HS3c: Innovative strategies in professional organizations go together with a Stage 4 community or even Stage 5 social contract climate.

HS4a: Differentiation strategies may adopt features of other strategies including their propensity for certain moral climate types.

HS4b: Differentiation strategies will possibly lead to subclimates in case of distinct business units.

HS5: In order to be effective, strategies of sustainability and corporate social responsibility exhibit a Stage 4 community climate, or at least a Stage 3/4 company climate, (presupposed that the organizational goals reflect social values concerning sustainability and corporate responsibility).

HS6: When mergers and takeovers imply putting together departments, or units or teams, with different moral climates and without further previous notification, loss of legitimacy and effectiveness will occur due to clashing moral climates.

- *Concept of production (type of technology)*

Concepts of production involve typifications of production and service processes, such as mass production based on routines and standardization, non-routine custom-made-goods, protocollized professional action based on professional algorithms (routine, R-professionals), and protocollized professional action based on professional heuristics (non-routine, improvising I-professionals) (Weggeman, 2007, 263-272)[114]. Because type of production strongly influences organizational structure, much of the impact of type of production is discussed bellows. Nevertheless, typifications mentioned can be translated into the following hypotheses concerning production and moral climate:

HPR1: Organizations with an assembly line way of producing involving poor quality of labor (including few responsibilities) tend to a low moral climate (Stage 1 climate for punishment or Stage 2 exchange climate). In short, the more standardized production or service delivery, the lower the moral climate.

HPR2: The more regulated the technical system, the more formalized the operating work and the more bureaucratic the structure of the operating core, the bigger the change that an organization has a Stage 3/4 company climate.

HPR3: The more sophisticated (difficult to understand) the technical system, the more elaborate the non-operating structure – specifically, the larger and more professional the support staff, the greater the selective decentralization (to that staff), the greater the chance that formal and informal self-serving Stage 3 inclusion subclimates emerge.

HPR4: The larger the individual capacity for steering, regulating, and improvising, the bigger the chance that there is a high moral climate.

HPR5: Protocollized production of service processes with external control goes together with a Stage 3/4 company climate or a Stage 4 community climate.

HPR6: Being an R-professional or I-professional does not imply that these professionals are moderators of higher moral climates. When they are out for themselves (for instance,

medical specialists), they moderate a Stage 2 exchange climate. However, when professionals are members of professional organizations with strong regulations (for instance, codes), they moderate either a Stage 4 community climate or a Stage 5 social contract climate (depending on the nature of the regulations involved).

- *Concepts of organization (structure, administrative processes, culture)*

Concerning concepts of organization, theories and models can be used with regard to structure, administrative processes and culture

➢ Organizational structure

Structure can be an important factor in determining moral climate and organizational morality, for instance because of misfits between organizational parameters (formal communication channels versus informal reward systems), narrow functions with either too little or too much responsibilities, lack of procedure, prescriptions, and communication channels or an abundance of it (leading to arbitrariness or "passing the bucket").
Mintzberg's theory of organizational structure is widely used and has proved its heuristic value. Therefore, a small number of core concepts are borrowed from this theory. Mintzberg (1983) identified five (later seven) types of organizations, including the simple structure (or entrepreneurial organization), the machine bureaucracy, the professional bureaucracy, the diversified organization, the adhocracy (or innovative organization) the missionary organization, and the political organization. Each organization can be described in terms of the six key parts of each organization: the strategic apex (top management), middle line (middle management), operating core, techno structure (designers of systems, and processes), and support staff. A sixth element (though of a different kind) is ideology (halo of beliefs, traditions, norms, values, in short, culture. Each organization can also be described in terms of dominant coordinating mechanisms, including direct supervision, standardization of work processes, standardization of skills, mutual adjustment, standardization of outputs, and standardization of norms.

configuration	coordinating mechanism	dominant key part
simple structure	direct supervision	strategic apex
machine bureaucracy	standardization of work processes	techno structure
professional bureaucracy	standardization of skills	operational core
adhocracy	mutual adjustment	no dominant key part
divisionalized organization	standardization of outputs	middle line
missionary organization	standardization of norms	ideology
political organization	no specific coordinating mechanism	ideology

In a simple structure, a Stage 1 climate for punishment may occur because of the idiosyncrasies of the owner-manager, but more likely, the moral climate of simple structure may reflect the stage of moral development of the owner-manager, through processes of selection and socialization. Because of the size of small firms, a Stage 3/4 company climate may coincide with a Stage 3 inclusion climate because of the idea of "one big family". It can be expected that machine bureaucracies feature a Stage 2 exchange climate because of the poor job characteristics

and little decision-making possibilities. A Stage 3 inclusion climate will occur, and at times a Stage 4 company climate, though this less likely, because it demands higher levels of commitment of workers to the organization than the other characteristics of the structure allow. Under certain conditions (fierce competition, no other possibilities for employment), in a machine bureaucracy a Stage 1 climate for punishment may occur. A professional bureaucracy goes together with a Stage 4 community climate, or even a Stage 5 social contract, depending on the tasks and assignments of the organization, its departments, or its units. The moral climate of adhocracies is harder to determine. Team spirit may go together with a Stage 3 inclusion climate coinciding with a Stage 3/4 company climate in case of small organizations, or with an Stage 3 inclusion climate in larger organizations when the own team is the point of reference. Even a Stage 2 exchange climate is possible when staff is committed with own projects and interests while using the organization as a vehicle. In missionary and political organizations, a Stage 5 social contract moral climate, a Stage 6 universalistic climate, or even a Stage 7 spiritual climate type will occur, depending in the motivation of the people engaging in this type of organizations. That is, a Stage 3 inclusion climate is also possible, or a Stage 3/4 company climate in those organizations pursuing their own viability or uncritically imposing their world view upon organizational members. In a divisionalized structure, the moral climate type depends of the nature of the individual organizations making up the divisionalized structure. However, a Stage3/4 company climate is possible when the company has a strong corporate image (for instance Fokker at the time, Toyota, Philips, Stork, to mention only a few names).

These concepts can be used to indicate relations between moral climate and organizational structure.

HOS1: The moral climate of a simple structure mainly reflects the stage of moral development of the owner-manager, through processes of selection and socialization, and may tend to a Stage 3 inclusion climate.

HOS2a: Machine bureaucracies with a compartmentalized, narrow, repetitive, meaningless task structure tend to a Stage2 exchange climate since, by their very nature, machine bureaucracies tend discourage interdependence and accountability while fostering conflicts, essentially between organizational efficiency and individual satisfaction.

HOS2b: In case of less narrow tasks and sufficient personnel care, machine bureaucracies tend to a Stage 3 inclusion climate or even a stage 3/4 company climate, if mutual commitment between the organization and employees is high.

HOS3: Professional bureaucracies tend to a Stage 4 community climate or to a Stage 5 social contract climate, depending on their conventional or post-conventional tasks and assignments and the nature of the regulations (as impacted by the position of society on the liberalism-communitarianism continuum, the type of capitalism, and the type of legality).

HOS4: There is no preferred moral climate type for adhocracies, other than the moral climate reflecting their tasks and assignments best. Yet, because of their organic structure and their relatively small size, adhocracies tend to a coinciding Stage 3 inclusion climate and a Stage 3/4 company climate. However, in larger

organizations, adhocracies tend to a Stage 3 inclusion climate at the expense of the targets of the organization through lack of efficiency.

HOS5: Because divisionalized organizations consist of quasi-autonomous entities, the moral climate will accordingly consist of subclimates reflecting the specific features of the entities (for instance, machine bureaucracies or professional bureaucracies).

HOS6: Though the preferred moral climate type of missionary organizations is a Stage 5 social contract climate, a Stage 6 universalistic climate, or even a Stage 7 spiritual climate, the actual moral climate will reflect the idiosyncrasies of the members of that particular organization (especially, their motives to participate in the organization).

HOS7: No specific relations can be formulated between political organizations and their moral climate, depending on their specific purposes and the motives and stage of moral reasoning of the members of the organization.

➢ Administrative processes, regulations, and procedures

Each organization has an administrative structure of processes, regulations, and procedures directing the behavior of employees. These processes and procedures will vary according to the type of configuration and will be experienced as either a burden or a necessary tool for internal adjustment (gearing all activities to one another).

HOA1: The higher the degree of formalization of processes and procedures to direct behavior (for instance, in regulations and protocols) the more the organization exhibits either a Stage 3/4 company climate or Stage 4 community climate, depending on the nature and the source of the protocols.

HOA2: In a Stage 5 social contract climate, employees will experience formal regulations and protocols as an unnecessary curtailment of their professional discretion and will try to control democratically the administrative decisions affecting them.

Type of ownership is an important variable concerning administration. From this perspective, Duh & Belak (2009) and Duh, Belak & Milfelner (2010) discovered significant differences due to family involvement.

Leadership can also be considered as an administrative variable, to be considered below separately.

➢ Organizational culture

In general, organizational culture can affect moral climate. Lack of trust and lack of openness in communication, ambiguous values and norms, treating employees unequal when compared to customers and clients, "boardroom politics", not walking the talk, reducing moral aspects to legal aspects, enforcing employees to adopt the company's values and norms and leave their own convictions and moral preferences outside the organization, lack of commitment to professional and/or branch codes, ignoring company codes of ethics, bad examples of leaders and colleagues, calling each other into account in case of malfunctioning or even encouraging unethical behavior, no allowance to make mistakes, not transferring learning results, all influence moral

climate. It should be noted, that the reverse of these behaviors (for instance, setting good examples, unambiguous values and norms, trust and openness, respecting professional codes) also affect moral climate or may be an exponent of it.
The point is that when moral climate is considered as an element of organizational culture, identifying causal relations becomes hazardous. Cultural antecedents of moral climate could just as well be characteristics of moral climate. Furthermore, there is a considerable overlap of moral climate characteristics and consequences of moral climate, as will be discussed below. Therefore, it is an empirical question to isolate variables, and define and investigate them carefully. From a conceptual stance, theories of organizational culture can be addressed in order to construct hypotheses concerning organizational culture and moral climate (based on the discussion in chapter 3).

A popular typology of organizational culture is the typology of Handy (1978), based on earlier work Harrison (1972) (represented briefly in chapter 3). They classify organizations under four cultures: power culture, role culture, task culture, and person culture. A power culture is like a web with rays of power and influence spread out from a central authoritative figure or group, based on personal influence rather than on procedures or purely logical factors. A role culture works by logic and rationality through which functions are delineated and empowered with their role, controlled by procedures, role descriptions and authority definitions, and rules for processing decisions and resolving conflicts whereas performance over and above role is not expected and possibly disruptive. A task culture focuses on tasks, results and getting things done, with resources given to the right people at whatever level who are brought together and given decision-making power to get on with the task. A person culture has individuals as the central point, with structure existing only to serve the individuals and their ambitions within it. As was discussed in chapter 3, this theory is superficial and narrow in scope, as it has its focus primarily on the way the work is organized. Though this typology lacks explicit moral notions, there may be tacit notions of morality underneath and possible connections with moral climate types. For instance, in a power culture, employees get little responsibility. This may obstruct the development of their sense of responsibility and hence cultivate low levels of moral competence. The reverse can be said of a person culture. In a role culture, there are conventions - rules, regulations, and procedures (including moral prescriptions) - that give people something to go on. In a task culture, the immediate interests of the organization have priority, perhaps at the expense of respect for employee and interests.
Concerning the possible relationships between the culture typology of Handy and Harrison and moral climate types, the following hypotheses can be formulated:

HOC1: A power culture goes together with a Stage 1 climate for punishment, of with a Stage 2 exchange climate (for instance, when labor conditions are negotiable). In higher stage moral climates, a power culture will be absent.

HOC2: A role culture, with a narrow role set goes together with a Stage 2 exchange climate, whereas in a role culture with wider role sets goes together with a Stage 3 inclusion climate, a Stage 3/4 company climate, or a Stage 4 community climate, since these conventions give people guidance.

HOC3a: A task culture goes together with a Stage 3 inclusion climate when the interests

of the team have legitimate priority and group cohesion is high.

HOC3b: A task culture goes together with a Stage 3/4 company climate when the interests of the organization have legitimate priority and individual and organizational interests appear to coincide.

HOC4: A person culture goes together with a Stage 4 community climate or a Stage 5 social contract climate, depending on the tasks and assignments, and the type of legality involved.

Two additional hypotheses concerning culture and moral climate can be formulated inspired by Mintzberg's hypotheses 2 and 16:

HOC5: Moral climate as characteristic of culture in a broader sense reflects the age of founding of the industry and the tasks and assignments taken up at that time.

HOC6: Fashion favors the preferred moral climate of the day, even when inappropriate.

- *Concepts of personnel*

Concerning concepts of personnel, a very general distinction can be made between concepts that consider work force as replaceable puppets (human *resources*) and concepts that consider work force respectfully as people, as unique human beings (*human* resources). Of course, in everyday organizational reality this continuum contains many positions expressed in level of personnel care.

The HR literature describes two models of human resource management, the so-called Michigan Model and the Harvard Model (for instance, Beardwell, 2004, 16-20; De Nijs, 1999, 33-38; Lievens, 2007, 30-35).

The Michigan Model of HRM, advocated by Fombrun, Tichy, and Devanna (1984) proposes that, in order for a company to improve its performance, it must directly align its corporate and human resource strategies and structures (strategic fit). The Michigan Model aims at high performance and claims that:

- individuals should be treated as organizational resources, should be obtained and resourced as cost-effectively as possible and should be developed ad exploited according the needs of the strategy
- fit should be achieved between individual and organizational strategies by selecting the most suitable individuals to achieve its business activities and promoting optimum performance to achieve business objectives
- monitoring and appraising performance and providing appropriate feedback to employees
- rewarding to performance
- developing knowledge, skills and competence to achieve business objectives.

The Harvard Model of HRM, advocated by Beer, Spector, Lawrence, Mills, and Walton (1984), proposes a softer, more humane side to HRM. The Harvard Model aims at high commitment and claims that

- employees are not so much organizational resource, but they are humans (social capital)
- search for power equalization for trust and collaboration through open channels of communication
- potential for developing coincidence of interest between stakeholders

- four human resource policy areas are important to the model and should be developed:
  - human resource flow including recruitment, selection, utilization / placement, appraisal, promotion, termination of employment
  - reward management system, such as pay and motivation
  - employees influence: information, power, participation through delegation and responsibility
  - work systems: aligning people to work design.

Beer et al (1984) suggest that using the Harvard Model leads to the achievement of four C's: competence of employees (skills, abilities, capabilities), commitment of employees, congruence (between management and workforce, organization and society, individual and organization), and eventually, cost-effectiveness.

Based on these considerations, the following hypotheses can be postulated:

HP1: The greater the propensity for the Michigan Model of HR, the bigger the chance that there is a lower stage moral climate, a Stage 2 exchange climate or a Stage 1 climate for punishment (in line with a cost reduction strategy).

HP2: The greater the propensity for the Harvard Model of HR, the bigger the chance that there is a higher stage moral climate.

HP3a: The absence of personnel care is a feature of Stage 1 climate for punishment and Stage 2 exchange climate.

HP3b: The more attention is paid to personnel care, the bigger the change that there is a Stage 3/4 company climate.

HP3c: In higher stage moral climates (Stage 4, 5 and 6), personnel care is not a factor having much impact on the present moral climate.

HP4: Without properly selected and implemented HR instruments aiming at individual cognitive moral development, moral climate development remains beyond the present stages of individual cognitive moral development.

B. The Middle Part: mediators and moderators

The middle part of the model consists of two variables, one of which can be considered as the mediating variable (leadership), whereas the other can be considered as the moderating variable (stage of individual cognitive moral development).

➢ Leadership

Ethical leadership is an important characteristic of developed ethical climate and a pivotal factor in any moral climate type. Speaking more generally, leadership is a mediating variable when, for instance, translating strategy into preferred moral climate. According to Ciulla (1995, 2005), and Treviño and Brown (2006), the literature contains strikingly few publications on the moral dimension of leadership, though their number is growing (for instance, Aronson, 2001; Gini, 1995; Kanungo & Mendonca, 1996; Solomon, 2004). Furthermore, there are promising publications that relate (ethical) leadership to moral climate.

According to Bass and Steidlmeier (2004, 173), the ethics of leadership rest upon three pillars:

(a) the moral character of the leader, (b) the ethical legitimacy of the values embedded in the leader's vision, articulation, and program which followers either embrace or reject, and (c) the morality of the processes of social ethical choice and action that leaders and followers engage in and collectively pursue. However, these authors remain silent about the impact of the leader's organizational environment. At this point, it is tempting to compare all sorts of leadership theories and relate them to moral climate. Instead, definitory issues of leadership and its many dimensions are ignored – Winston and Patterson (2006) uncovered over ninety variables that may comprise the whole of leadership[115] (one of which is ethics) – while some general notions of leadership will be discussed, followed by an overview of moral climate research findings.

- *The contingency approach: situational leadership*

To start with, one commonly recognized model is picked out to show the possibilities and limitations of this line of thought. Hersey and Blanchard (1993) constructed a typology of leadership styles that still has not lost its appeal, though it hardly plays a role in moral climate theory (apart from Upchurch & Ruhland, 1995; 1996). They characterized leadership style according to two dimensions, the amount of direction and the amount of support leaders provide to their followers. In a matrix, four leadership styles (in terms of behavior) can be distinguished, termed S1 to S4:

S1: *Directing/Telling*: leaders define the roles and tasks of the 'follower', and supervise them closely (hands on management). Decisions are made by the leader and announced. Therefore, communication is largely one-way.

S2: *Coaching/Selling:* leaders guide define roles and tasks, but seek ideas and suggestions from their follower. Though decisions remain the prerogative of the leader, communication is much more two-way.

S3: *Supporting/Participating*: leaders pass day-to-day decisions (such as task allocation and processes), to their followers. The leader facilitates and takes part in decisions, but control is with the followers.

S4: *Delegating*: leaders are involved in decisions and problem solving, but control is with the follower. Followers decide when and how the leader will be involved.

Inherent to the contingency character of the theory of Hersey and Blanchard is the idea that no one style is optimal or desired for all leaders in all situations. Instead, effective leaders need to be flexible and capable of adapting themselves to the situation. However, since each leader tends to have a natural style, in applying situational leadership s/he must know this intrinsic style. According to Hersey and Blanchard, the most convenient leadership style will depend on de the developmental level(s) of the task-maturity (performance readiness) of the followers (not the stage moral developmental, HB). Therefore, they included the development level of the follower in their model, noting that this level may be different across tasks. Leadership style should be based on the competence and commitment of his followers. Hersey and Blanchard categorized the levels of task maturity of followers into four levels, termed D1 to D4:

D1: *Low competence/High Commitment*: followers generally lack the specific skills required for the job in hand but are eager to learn and willing to take direction.

D2: *Some Competence/Low Commitment*: followers may have relevant skills, but will not be able to do the job without some help, for instance, because the task or the situation is new to them.

D3: *High Competence/Variable Commitment:* followers are experienced and capable, but may lack the confidence or the motivation to do it well or quickly.
D4: *High Competence/High Commitment*: followers are experienced at the job, comfortable with their own ability, and may even be more skilled than the leader.
The idea is that the leadership style (S1 - S4) must correspond to the development level (D1 - D4) of the followers and that the leader must adapt, not the followers. Situational leadership works out best when leaders are trained in determining the development level of followers and know how to operate effectively according to various leadership styles.

- *Theories of (moral) leadership*

Other theories of leadership concern *autocratic* or *coercive* leadership, *transactional* leadership, *servant* leadership, *transformational* leadership, and *authentic* leadership (Bass, 1990; Bass & Steidlmeier, 2004; Ciulla, 1995, 14-17; Ciulla, 2005, 325; Graham, 1995; Klenke, 2007; Matteson & Irving, 2006; Sahgal & Pathak, 2007). Coercive leadership is based on authoritative rules, instructions, and sanctions and goes together with a Stage 1 climate for punishment. Transactional leadership is characterized by an orientation in keeping promises, enforceable contracts, job descriptions, and incentives, and hence matches with a Stage 2 exchange climate (Bass & Steidlmeier, 2004, 178; Graham, 1995, 48; Sahgal & Pathak, 2007). Servant leaders lead because they want to serve others in order to elevate them; people follow servant leaders because they trust them. Servant leaders have the ability to honor the personal dignity and worth of all who are led and to evoke as much as possible of their own innate creative power for leadership. Characteristics of servant leaders involve listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment, and community building (Greenleaf, 1977; Matteson & Irving, 2006, 38; Sims, 1997, 10-11). The idea may occur that servant leadership fit any moral climate type. Yet, more probably, servant leaders match best the post-conventional moral climate types (Graham, 1995, 48). Transformational leadership, put briefly, asks leaders to operate at higher need and value levels (in terms of theories of for instance, Erikson, Kohlberg, Maslow, Piaget, and Rockeach) than those of followers, in order to exploit tension and conflict within people's value systems and play the role of raising people's consciousness (Burns, 1979).
Transformational leaders aim at idealized influence through charisma and are a source of inspirational motivation (directed at empowerment and self-actualization), intellectual stimulation, and individualized consideration (treating followers as ends, with unique dignity wand with interests to be respected) (Bass, 1990, 22-23; Bass & Steidlmeier, 2004, 178-183). At first sight (going by Burns' definition), from this definition one could conclude easily that transformational leaders can be effective in any N+1 situation. However, when looking closer at the characteristics, also here it can be supposed that transformational leaders will best match moral climates of at least Stage 4 because of their principled nature (Aronson, 2001; Ciulla, 1999; Graham, 1995, 48; Keeley, 2004). Authentic leadership does not mean much without further specification of the word "authentic", though some authors attach a more sophisticated meaning to it, for instance, spiritual identity (Klenke, 2007). Therefore, authentic leadership will match any moral climate type, depending on the meaning of "authentic". More precisely, the matter can be matter can be approached from the other side. Whether autocratic or transactional leadership is authentic or not, probably does not harm its effectiveness. However, servant leadership and

transformation leadership needs to be authentic in order to be trustworthy and, thereby, effective.

- *Moral climate and (ethical) leadership*

Moral climate research has addressed the issue of (ethical) leadership and moral climate, though far from definitive. In Kohlbergian contributions, exemplary behavior of teachers is recognized. Many contributors to moral climate theory consider the role of the leader, for instance, Lavoie and Culbert (1978), Sridhar and Camburn (1993), Cohen, (1993, 349), Dorosamy (2010), Drumm, 2000), Jobim and De Arruda (2000), Olson (1995), Sims and Brinkmann (2002), and Snell (2000, 277), when emphasizing the importance of leadership in setting examples and the leader's moral reasoning capacity.

Ardichvili, Mitchell, and Jondle (2008) advocate consistent ethical behavior of top leadership, in terms of the following statements concerning leadership effectiveness: "Ethical culture starts at the top and is conveyed by example", "Senior management demands ethical conduct at every level of the company", "CEO and senior management live their lives with great personal integrity", "When ethical issues arise, CEO does not 'shoot the messenger,' but gathers facts and takes action", "Do what they say they're going to do". Andreoli and Lefkowitz (2008, 15) stress the importance of *moral* leadership. Carroll (1993, 139-140) offers a catalogue of behaviors of superiors and/or peers that create a questionable organizational atmosphere, including the absence of ethical leadership. DeConinck & Lewis (1997) that the ethical work climate of organization was not so much a significant predictor of a sales manager's intention to intervene (reward or to punish ethical/unethical sales force behavior) as were their ethical judgments. The central proposition of Elm and Nichols (1993, 819) was that the moral reasoning level managers use to address ethical issues at work is influenced by the interaction between the ethical climate of the organization and their self-monitoring tendency. Forte (2004b) postulated that there would be no significant relationship between perceived organizational ethical work climate types (Caring, Law and Code, Rules, Instrumental, and Independence) and the moral reasoning ability of individual managers. However, contrary to logic that the more perceived ethical organizational climate types would have managers and executive level employees with higher moral reasoning, Forte did not find a relationship between perceived ethical work climate and the moral reasoning of individuals. Koh and Boo (2001) conclude that organizational leaders can favorably influence organizational outcomes by engaging in, supporting and rewarding ethical behavior. Okpara (2002) investigated the influence of ethical climate types on job satisfaction of IT managers, however without focusing on the role of managers in consolidating or changing moral climate. Erakovich, Bruce, and Wyman (2002) considered leadership as a critical organizational cultural factor found in public organizations accounting for differences in ethical climates. They hypothesized and found that in public organizations, greater levels of a supportive style of leadership are positively associated with higher levels of ethical criteria in the organizational ethical climate. More in particular, they suggested that supportive leaders create ethical climates that are more cosmopolitan. .

In order to develop moral climate, Petrick and Manning (1990, 89-90) promote strong moral leadership and suggest improving the quality of the leader - follower exchange by developing a

nurturing, collaborative relationship where support for ethical conduct and initiative is regularly provided. In fact, they are rather demanding when claiming that

- formal and informal leaders must personally exemplify and reinforce moral behavior
- their behavior should reflect Stage 6 moral reasoning,
- demonstrate balanced judgment among the four ultimate values of individual merit, economic quality, organizational growth, and quality of life, and
- model the full moral cycle in the processing and implementation of organization specific values.

Wimbush and Shepard (1994) suggested that ethical climate management is part of managing performance. Furthermore, they posit that the ethical behavior of subordinates within organizational units will reflect the ethical climate dimensions espoused by their immediate supervisors.

Shirey (2005) investigated the role of leaders in ethical climate in nursing practice, in particular concerning the difference between ethical vision and everyday practice in health care. She discussed the nurse leader's responsibility and role in creating an ethical climate for nursing practice within complex healthcare organizations. Shirey emphasizes the importance of nurse leaders because of their crucial role in translating the organization's mission, vision, and values into a lived reality. This role involves a complex balance between preserving organizational integrity, acknowledging responsibility to multiple stakeholders, and choosing actions that embody the mission, vision, and values, including the ethical principles of respect for persons, beneficence, nonmaleficence, justice, veracity, and fidelity and relating these principles to creating an ethical climate for nursing practice. Unfortunately, she does not use a typology and uses the term ethical climate in an evaluative meaning without further specification apart from referring to the aforementioned principles.

Ehrhart (2004) tested a model in which procedural justice climate was hypothesized to partially mediate the relationship between leadership behavior (servant- leadership) and unit-level organizational citizenship behavior; he found that servant-leadership to be positively related to procedural justice climate. Ingram, Laforge, and Schwepker (2007) discussed the impact of sales leadership and sales management control strategy while applying the ethical climate concept, whereas Schwepker and Good (2007) discussed sales management's influence on employment and training in developing an ethical sales force. In both cases, no typology of moral or ethical climate was used. Instead, the ethical climate was used in both an uncritical manner and an evaluative meaning. They found that a transformational sales leadership style was more likely to positively influence both the interpersonal dimension of ethical climate and overall ethical climate. Jaramillo, Mulki, and Solomon (2006b) noted that leadership plays a critical role in the relationship between ethical climate and turnover intentions. Employees who operate in an ethical climate are more likely to trust their supervisor, are happier with their jobs, and are less likely to quit. The degree to which employees perceive that top management is supportive mediates the effect of ethical context on turnover. Mulki, Jaramillo, and Locander (2008b) emphasized the role leaders playing a critical role in setting the tone for ethical climate in organizations. They found that instrumental leader's concern for rules and standard helps salespeople address the potential conflict derived from ethical dilemmas, whereas considerate leadership enhances salesperson's satisfaction with the supervisor since salespeople feel that their leader listens to them and considers suggestions seriously in decision-making. In these

publications, the term ethical climate is used in a normative meaning without an underlying typology.

According to Treviño and Nelson (1986; 990, 202-203; 1995, 200-201), leadership is crucial to the organization's ethical culture, as integrity (or the lack of it) flows from the top down and leaders set examples, either good or bad, as models for (un)ethical conduct. Treviño (1986, 608-614) puts forward a large amount propositions concerning leaders and managers while emphasizing their mediating role:

- The large majority of managers do reason about work-related ethical dilemmas at the conventional level (Stages 3 and 4)
- Managers at the principled moral reasoning level (Stages 5 and 6) will exhibit significantly more consistency between moral judgment and moral action that those at lower stages.
- Managers' moral judgments in actual work related decision situations will be lower (in cognitive moral development stage) than their judgments in response to hypothetical dilemmas.
- Moral judgment development scores will be significantly higher or managers with higher levels of education than managers with lower levels of education.
- Participants (students or managers) in ethics training programs based on cognitive moral development training strategies will exhibit significant pretest to posttest increases in moral judgment development scores.
- Managers with high ego strength will exhibit more consistency between moral judgment and moral action than those with low ego strength.
- Field independent managers will exhibit more consistency between moral judgment and moral action that field dependent managers.
- Managers whose locus of control is internal will exhibit more consistency between moral judgment and moral action than managers whose locus of control is external.
- Conventional level (Stages 3 and 4) managers will be most susceptible to situational influences on ethical/unethical behavior
- Principled (Stages 5 or 6) managers will be more likely so resist, attempt to change, of select themselves out of unethical situations.
- Managers' ethical/unethical behavior will be influenced significantly by the behavior of referent others.
- Managers' ethical behavior will be influenced significantly by the demands of authority figures.
- Correspondence between moral judgment and action is significantly higher where the organizational culture encourages the individual manager to be aware of the consequences of his or her actions and to take responsibility for them.
- Managers' ethical/unethical behavior will be influenced significantly by reinforcement contingencies.
- Managers' ethical behavior will be influenced negatively by external pressures of time, scarce resources, competition, or personal costs.

Treviño considers leadership as a critical component of the organization's culture because leaders can create, maintain or change culture. Especially in maintaining, and changing the culture because of external influences, leadership as a mediating factor becomes manifest. Leadership is crucial to the organization's ethical culture, as integrity (or the lack of it) flows from the top, down.

Brown and Treviño (2006) discussed the relation between ethical leadership and ethical climate while focusing on the emerging construct of ethical leadership and compare this construct with

related concepts that share a common concern for a moral dimension of leadership (including spiritual, authentic, and transformational leadership). There point of departure is that although much has been written about ethics and leadership from a normative or philosophical perspective, suggesting what leaders should do, a more descriptive and predictive social scientific approach to ethics and leadership has remained underdeveloped and fragmented. The authors define ethical leadership as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making". Four dimensions of ethical leadership are essential: character/integrity, altruism, collective motivation, and encouragement (Brown & Treviño, 2006, 595-596, 612-613). In their article, they attempt to clarify the relationships between the ethical leadership construct and transformational, authentic, and spiritual theories of leadership, all of which tap an ethical dimension of leadership in some way. The authors distinguish individual influences and situational influences on ethical leadership. Considering situational influences, Brown and Treviño (2006, 600) identified three situational factors that are likely to influence employees' perceptions of a leader as an ethical leader, including ethical role modeling, the organization's ethical context, and the moral intensity of the issues that leaders face in their work. From a social learning perspective, each of these factors provides learning opportunities that can contribute to the development of ethical leadership. For instance, they posit that an ethical context supporting ethical conduct will be positively related to ethical leadership. In addition, they posit that ethical leadership is positively related to follower satisfaction, motivation, and organizational commitment. Furthermore, ethical leaders can be selected, and developed, using role modeling and training (Brown & Treviño, 2006, 609). Because Treviño and Brown do not use moral climate typologies, the connection between moral climate types and ethical leadership cannot be made.

Snell (2000, 277) suggests that organizational leaders' moral reasoning capacity will have direct impact on organizational moral ethos. According to Snell, leaders who have only reached the early stages of moral development are likely to create an atmosphere of intimidation, revenge and backstabbing in their organization, or revert to pre-conventional moral reasoning in everyday operations. Leaders at later developmental stages would tend to manifest and inspire ethical behavior because of greater open-mindedness about right and wrong and because they would generate conversational and organizational processes that transcend and integrate different parties' initial views of "the good". Leaders capable of post-conventional moral reasoning, who use post-conventional moral reasoning consistently, day-to-day, who reassure and develop subordinates and who manage their wider personal impact on the organization, will tend to shift organizational moral ethos towards post-conventional moral reasoning. However, since each developmental stage has lighter and darker sides, leaders attaining later developmental stages might risk losing touch with immediate concerns and needs, and may provoke confusion, disorientation and mindless dogmatism among followers, if they are not careful about their organizational impact. Sensitivity and strength of character are also required (as instrumental virtues, HB).

Sims and Brinkmann (2002) identified five mechanisms through leaders influence moral climate: what leaders pay attention to, how leaders react to crises, how leaders behave (role modeling),

how leaders allocate rewards, and how hire and fire individuals. They also suggested that it is rather the interaction between leadership style and organizational climate than leadership style alone, which determines the level of ethicalness of an organization and its employees. They suggest the following behaviors of ethical leader (2002, 336-337):

- Is committed to high ethical standards which apply to everyone.
- Uses customer welfare, doing what' best for the public, as one of the primary standards.
- Is willing to confront situations where ethics are questionable and confronts ethical issues openly and honestly.
- Takes timely and appropriate action on ethical issues.
- Is proactive in heading off ethical problems.
- Sets an example for others, treats ethics as a priority.
- Treats ethics as a performance measure no different than sales, etc., actively supervises it.
- Learns about the legal and ethical aspects of the business and doesn't plead ignorance when asked a question.
- Does not use an excuse that other companies have lower standards.

Concerning leadership, *Machiavellianism*, was found to be significant factor influencing moral climate. Malloy and Agarwal (2001a) found that Machiavellian leaders (being autocratic, controlling, manipulative, unscrupulously power seeking, egocentric, and self-serving with a careerist orientation, though spiritually empty) influenced ethical climate in a negative way, towards a Stage 1 climate for punishment (in terms of the present study)[116].

Dickson, Smith, Grojean, and Ehrhart (2001) focused on antecedents and consequences of what they termed "organizational climate regarding ethics", more in particular the outcome of leader values and the practices that reflect them. These authors argue that the organizational climate regarding ethics is an outgrowth of the personal values and motives of organizational founders and other early organizational leaders, and has an impact on organizational outcomes, including organizational outcomes that do not have ethical components. They propose that this impact largely occurs through the mediating mechanisms of organizational cohesion and morale. Furthermore, they propose that leadership operates through several mechanisms. Leaders serve as a role model for their subordinates about the type of behaviors that are seen as ethically acceptable and how ethical problems and questions should be addressed and they provide a cue about what is ethical by explicitly rewarding and punishing certain behaviors. Furthermore, the founder/leader determines the form of the organization, through the development of initial organizational policies and practices.

In a subsequent contribution, Grojean, Resick, Dickson, and Smith (2004) examined the critical role that organizational leaders play in establishing a values based climate. They discuss seven mechanisms by which leaders convey the importance of ethical values to members, and establish the expectations regarding ethical conduct that become engrained in the organization's climate. These mechanisms include (2004, 233-234):

- using values-based leadership (for instance, by encouraging excellence and achievement, and by inspirational motivation, intellectual stimulation, idealized influence, and individualized consideration)
- setting the example through role modeling,
- establishing clear expectations of ethical conduct to reduce ethical ambiguity,
- providing feedback, coaching, and support regarding ethical behavior,

- recognizing and rewarding behaviors that support organizational,
- being aware of individual (value) differences among subordinates by recognizing personality, interpersonal congruence, and personal-environment fit,
- establishing leader training and mentoring.

A predominant theme that runs through these mechanisms is one of consistency – leaders possess and understand a clear understanding of the organization's values and in turn transmit this understanding through policy, practice and procedure to organizational members. The authors suggest that strategic leaders transmit values and ethics via four primary transmitting mechanisms:

- Leaders who use the idealized influence and inspirational motivation aspects of transformational leadership will convey the importance of the ethical values, and inspire members to link their own personal values and self-concepts to the organization.
- Members are likely to have less direct contact with strategic leaders. However, these leaders' actions serve as a model of expected behavior at these top levels.
- Strategic leaders establish structure and policies that provide clear expectations regarding ethics to members.
- Strategic leaders develop and mentor direct leaders.

Erakovich, Bruce, and Wyman (2002) examined leadership as a variable of moral climate in public organizations. The leadership guidance system of the organization establishes the organizational ethical climate for employees' criteria to think and act. These authors emphasized two dimensions of leadership behavior, consideration or supportive and initiating or structural. A work atmosphere of mutual trust, respect for subordinates' ideas and consideration of subordinate's feelings characterize leaders who score high on the consideration dimension. The authors suggest that supportive leaders will create ethical climates that are more cosmopolitan. In public organizations, greater levels of a supportive style of leadership are positively associated with higher levels of ethical criteria in the organizational ethical climate. Furthermore, they found that structural or task oriented leadership shows greater support for principled levels of ethical climates than supportive or relational leadership, whereas supportive leadership was found to be related to the individual interest ethical climate.

Engelbrecht, Van Aswegen, and Theron (2005) investigated the relation between transformational leadership (characterized in terms of altruism and integrity) and ethical climate. Their point of departure is that ethical leaders are ultimately responsible for developing a strong and sustainable ethical climate in organizations. Their findings showed that altruism influences transformation leadership positively, and that transformation leadership in turn has a positive effect on ethical climate. The authors also found some support for the proposition that integrity moderates the effect of transformational leadership on ethical climate.

Schminke, Ambrose, and Neubaum (2005) considered leader moral development and ethical climate. Their point of departure is that ethical leaders are ultimately responsible for developing a strong and sustainable ethical climate in organizations. Do leader ethics exert a significance influence on the ethical climate of the organizations they are heading? How does the fit between the leader's ethics and the ethics of the employee affect employee attitudes of satisfaction, commitment, and turnover intentions (2005, 135-136)? Furthermore, they considered the conditions under which this relationship appear stronger or weaker, in particular two critical factors – one individual and one contextual – that may moderate the relationship between leader ethics and organizational ethical climate: (1) the extent to which a leader enacts or utilizes his or

her moral reasoning, and (2) the age of the organization. The authors propose that leader ethics exert both micro- and macro-level influences in their organizations, and suggest that they exert a significant influence on the ethical climate of their organizations. This relationship is supposed to be stronger for leaders who more fully realize their moral reasoning (that is, those translating their capacity for moral reasoning into moral actions), and that it will be stronger in younger organizations than older organizations. The authors predict that leader ethics exert an important micro-level influence on the organization as well. They suggest that dissimilar perspectives in moral reasoning between leaders and employees will lead to employee dissatisfaction, lower commitment, and greater turnover intentions. In a related study, Neubaum, Mitchell, and Schminke (2005) found that the relationship between leader moral development and ethical climate was stronger in younger organizations for instrumental, caring, law and codes, and rules climates and independence climate was stronger in older organizations.

Erben and Güneşer (2008) examined paternalistic leadership, organizational commitment and the role of climate regarding ethics. Their findings indicated that there was a significant and positive relationship between a climate regarding ethics and benevolent paternalistic and moral paternalistic. However, there was a significant and negative relationship between authoritarian paternalistic and a climate regarding ethics. Their hypothesis that there is a positive relation between paternalistic leadership and climate regarding ethics was confirmed only for benevolent and moral paternalistic leadership.

In their paper on the future of ethical climate theory, Mayer, Kuenzli, and Greenbaum (2008) addressed leadership, among other issues in relation to demographic characteristics (age, tenure, gender, management level), personality characteristics (leader moral development, leader integrity, moral development utilization, locus of control), and types of leadership (transformational leadership). More important that summarizing bits of research on the subject are their suggestions for future research. The authors suggest exploring antecedents of ethical climate to enhance ethical climate theory, for instance by examining the role of leadership in developing and sustaining ethical climates. The assignment is to determine what type of leader is able to create and sustain an ethical climate. Ethical leadership draws on principles of social learning theory to explain how managers influence employees. It would be particularly interesting to examine which level of leadership (i.e., top management or supervisory) has the strongest influence on the development of ethical climates, while considering the role of followers, their personality, values, and identity in understanding leadership effects.

Returning to leadership style: among other variables, Upchurch and Ruhland (1995; 1996) measured the relationship between the manager's leadership style and ethical precepts, using the ethical climate typology of Victor and Cullen (1987 and the leadership typology of Hersey and Blanchard, by asking, "What is the relationship between the three ethical climate types and the manager's leadership style?" Findings suggested that (in lodging organizations), benevolence is the primary ethical climate dimension (± company climate), that the local level of analysis (e.g., immediate workplace norms and values) is the primary determinant of ethical decisions in the organization, and that the primary leadership style is the high-task and high-relationship

orientation. By implication, a benevolence ethical climate goes together with a coaching/guiding leadership style.
Based on the descriptions of leadership styles and the findings from moral climate literature, the following relations between leadership (style) and moral climate can be postulated:

HLS1: An autocratic, directing or coercive leadership style goes together with a Stage 1 climate for punishment.
HLS2: A transactional leadership style goes together with a Stage 2 exchange climate.
HLS3: The impact of leadership as a mediating power factor is largest in a Stage 1 climate for punishment and a Stage 2 exchange climate.
HLS4: Leaders performing pre-conventional moral reasoning will tend to shift organizational moral ethos towards pre-conventional moral reasoning.
HLS5: A selling (guiding) leadership style goes together with a Stage 3 inclusion climate or a Stage 3/4 company climate.
HLS6: A supporting/participating leadership style goes together with a Stage 4 community climate, assumed that follower are moderate to high in performance readiness.
HLS7: The impact of appropriate exemplary leadership behavior (guidance) is the largest in conventional moral climate types (Stage 3, 3/4, en 4) (good leadership breeds good followers; bad leadership breeds even better ones).
HLS8a: An authentic delegating leadership style (either servant or transactional) goes together with a Stage 5 social contract climate and a Stage 6 universalistic climate.
HLS8b: Authentic servant and transformational leaders using post-conventional moral reasoning consistently, day-to-day, who reassure and develop subordinates and who manage their wider personal impact on the organization, will tend to shift organizational moral ethos towards post-conventional moral reasoning.
HLS9: The directing impact of leadership style in a Stage 5 social contract climate and a Stage 6 universalistic climate is negligible, because of the high level of performance readiness among employees.
HLS10: Authentic leadership matches any moral climate type, though depending on the specific meaning of "authentic", but becomes a decisive factor in servant and transformational leadership.

Because the findings of research investigating the relationship between leadership, ethical climate, and age of the organization are ambiguous, no specific hypotheses according to this relationship were formulated. Nevertheless, the issue remains important despite the conjecture that other variables are more important than age, including type of industry and type of organizational configuration. However, in line with hypothesis 1 of Mintzberg ("the older the organization, the more formalized is behavior"), it can be expected that the degree of formalization in an organizational due to age affects both ethical climate and leadership style. Equally important is the role of followers, as well as their stage of individual cognitive moral development.

➢ Individual cognitive moral development

Point of departure is the idea that the organization's moral climate is an important aspect of the context for any employee's stage of moral reasoning and functions as a "hidden curriculum" for employee socialization. On its turn, the stage of individual cognitive moral development is moderating variable concerning moral climate while limiting the possibilities of introducing a preferred moral climate when individual stages are below the stage of the moral climate. Reversely, in preferred moral climates in organizations with a work force that already has reached that particular stage individually, these individuals serve as moderators in establishing and consolidating this moral climate type.

In chapter 4, we already discussed features and effects of misfits between individual level of moral development and moral climate, and between individual level of moral development and institutionalized tasks and assignments of organizations and translated into job descriptions. The individual's moral competence may match the organization's moral climate and the tasks and assignments of the organization, may fall short, or may be higher. Too much organizational morality compared to the individual's actual stage of moral development may cause moral overload, whereas too little morality may cause moral unease, expressed as decreasing commitment and job satisfaction, and increased turnover intentions. At this point, many hypotheses can be formulated, only a few of which will be spelled out here to give no more than an indication.

HMD1a: When N is the stage of moral development of an employee, social situation demanding no more than Stage N-1 or even Stage N-2 probably will arouse frustration and dissatisfaction (moral unhappiness).

HMD1b: Social situations asking for Stage+2 moral reasoning, may evoke uncertainty because of moral demands being too high when compared to the actual stage of moral development.

HMD2: It is difficult to develop adult individuals with a pre-conventional moral competence to conventional stages because moral argumentation patterns are fixed over the years.

HMD3: Individuals with a pre-conventional moral competence will tend to affect Stage 3 moral climate and higher negatively by decreasing the level of trust.

HMD4: When faced with a pre-conventional stage moral climate type (Stage 1 climate for punishment or Stage 2 exchange climate), individuals with a Stage 3 moral competence will tend to regress and adapt their moral performance to the extant moral climate.

HMD5: When faced with a higher conventional moral climate type. Individuals with a Stage 3 or Stage 3/4 moral competence will tend to develop their moral competence to the level of that particular stage.

HMD6a When faced with a lower stage moral climate type (for instance, Stage 1 climate for punishment, Stage 2 exchange climate or Stage 3 inclusion climate), individuals with a Stage 4 or 5 moral competence will experience moral conflict and frustration and will tend to leave the organization (provided that there are

opportunities to leave the organization).

HMD6b: When faced with a lower stage moral climate type (for instance Stage 3 inclusion climate or Stage 3/4 company climate, individuals with a Stage 4 moral competence will tend to influence that moral climate in an upward direction through either clarification or convincing.

HMD6c: When faced with a lower stage moral climate type (for instance Stage 3/4 company climate or Stage 4 community climate), individuals with a Stage 5 moral competence will tend to influence that moral climate in an upward direction through argumentative discussion.

HMD7: Organizations pretending to have a Stage 6 universalistic climate may not live up to these expectations because only few individuals are consistently capable of Stage 6 moral reasoning.

Without properly selected and implemented HR instruments aiming at individual cognitive moral development, moral climate development beyond the present stages of individual cognitive moral development will tend to fail.

C. The Right Side: consequences

On the right side of the heuristic research model, a large of number of variables can be arranged, including effectiveness, conflict resolution, trust, learning, job satisfaction, unethical behavior (including mobbing and bullying), commitment, turnover intentions and rates, and absenteeism.

- Effectiveness

In much moral climate research, a functional stance is taken when asking the question whether and how moral climate contributes to the organization's overall effective performance. In the reviews, little explicit reference was made to (economic) performance. Weeks, Loe, Chonko & Wakefield (2004)) found that although ethical climate does not have a direct effect on performance, it does have an indirect effect on performance when using individual commitment to quality and organizational commitment as intervening variables. Furthermore, the findings suggest than an association exists between individual commitment to quality and performance (2004, 199). However, since these authors used only a very superficial normative concept of moral climate without an underlying typology, non conclusions could be drawn when comparing moral climate type and performance.

In a refined distinction, in chapter 3, five elements of effectiveness were considered, including technical, economic, administrative, psychosocial, and societal effectiveness. In this subsection, I will confine myself first to the technical and economic effectiveness while relating to the tasks and assignments an organization has chosen or has been charged with from society (for instance, governmental, health care, or educational organizations). Subsequently I will consider a conglomerate of factors making up psychosocial effectiveness, including absenteeism, turnover rates and intentions, commitment, and job satisfaction. Since organizations have different tasks and assignments, only very general hypotheses can be formulated, while referring to the scheme concerning moral climate evaluation presented and discussed in chapter 4. From these scheme, a

number of hypotheses concerning technical and economical effectiveness (effective performance, coded as HEP) can be derived, while noting that societal effectiveness is at stake as well, in terms of (loosing) the license to operate because of loss of legitimacy.

HEP1a: For-profit organizations are most effective with a Stage 3/4 company climate.

HEP1b: For-profit organizations may lose their legitimacy with a moral climate reflecting lower stages of moral development (notably a Stage 2 exchange climate and a Stage 1 climate for punishment, while a Stage 3 inclusion climate is a limiting case, low, yet conventional).

HEP1c: For-profit organizations may lose effectiveness with a moral climate above Stage 3/4 and will lose effectiveness with a post-conventional Stage 5 social contract climate, a Stage 6 universalistic climate, or a Stage 7 spiritual climate.

HEP2a: Governmental organizations are most effective with a Stage 4 community climate, or a Stage 5 social contract climate, depending on their specific tasks and assignments.

HEP2b: Governmental organizations may lose their legitimacy with a moral climate reflecting lower stages of moral development (for instance, a Stage 3/4 company climate, or a Stage 3 inclusion climate, not to speak of pre-conventional moral climates).

HEP2c: Governmental organizations may lose effectiveness with a moral climate above Stage 4 community climate or Stage 5 social contract climate, depending on their specific tasks and assignments, and will lose effectiveness with a post-conventional Stage 5 social contract in case of Stage 4 tasks and assignments and with a Stage 6 universalistic climate or a Stage 7 spiritual climate when otherwise.

HEP3a: Not-for-profit organizations are most effective with a Stage 4 community climate, or a Stage 5 social contract climate, depending on their specific tasks and assignments.

HEP3b: Not-for-profit organizations may lose their legitimacy with a moral climate reflecting lower stages of moral development (for instance, a Stage 3/4 company climate, or a Stage 3 inclusion climate, not to speak of pre-conventional moral climates).

HEP3c: Not-for-profit organizations may lose effectiveness with a moral climate above Stage 4 community climate or Stage 5 social contract climate, depending on their specific tasks and assignments, and will lose effectiveness with a post-conventional Stage 5 social contract in case of Stage 4 tasks and assignments and with a Stage 6 universalistic climate or a Stage 7 spiritual climate when otherwise.

HEP4a: Nongovernmental organizations are most effective with a Stage 5 social contract climate or a Stage 6 universalistic climate, depending on focus and targets.

HEP4b: Nongovernmental organizations may lose their legitimacy with a moral climate reflecting lower stages of moral development (for instance, a Stage 4 community climate, a Stage 3/4 company climate, or a Stage 3 inclusion climate, not to speak of pre-conventional moral climates).

HEP4c: Not-for-profit organizations with a Stage 7 spiritual climate will lose

effectiveness.

- Psychosocial effectiveness: commitment, job satisfaction, psychological well-being, absenteeism, and turnover intentions and rates.

A large amount of contributions to moral climate theory consists of research examining the relation of moral climate and all sorts of factors concerning psychosocial effectiveness, including job satisfaction psychological wellbeing (including role stress), commitment, turnover intentions, and absenteeism. These outcomes are examined either as separate factors or in conjunction. Because of the abundance of research concerning moral climate and psychosocial effectiveness, a thorough discussion of the results would be space consuming without much proceeds for moral climate theory. Since many of these functionalistic research contributions refer to sloppy moral climate concepts or inadequate typologies (if at all), hardly any relation can be hypothesized between moral climate type and these psychosocial outcome variables. Moreover, when they do, the question is whether these outcomes are really consequences of a particular moral climate type or, in fact, defining characteristics. Therefore, I will restrict the discussion of these outcomes variables to a summarizing scheme and a small number of general hypotheses emerging from the extant research. For specific details, I refer to the individual reviews of the publications mentioned.

This overview presented below containing 35 studies reveals that 20 out of 35 contributions address job satisfaction, 18 address commitment, 11 address turnover (intentions), and 6 address psychological well-being. Eleven studies considered two or more variables in their design, whereas only one study considered all four variables.

- authors-	**commitment**	**job satisfaction**	**psychological well-being**	**turnover intentions**
Ambrose et al (2008)	*	*		*
Bline, Cullinan & Farrar (2008)	*			
Bulutlar & Öz (2008)	*			
Conine & Rowden (2006)		*		
Corley et al (2005)			*	
Cullen et al (2001)	*			
Deshpande (1996b)		*		
Elçi & Alpkan (2008)		*		
Goldman & Tabak (2010)		*		
Hamric & Blackhall (2007)			*	
Hart (2005)				*
Herndon et al (1999)	*	*		*
Jaramillo et al (2006a)	*	*	*	*
Joseph & Deshpande (1997)		*		
Kelley & Dorsch (1991)	*			
Kitapçi & Elçi (2007)	*			
Koh & Boo (2001)		*		*
Loe & Ferrell (1997)	*			
Martin & Cullen (2006)	*	*	*	
Mulki et al(2008a)				*

Okpara (2002)		*		
Okpara & Wynn (2008)	*	*		
Olson (2002)				*
Ruppel & Harrington (2000)	*			
Schwepker (2001)	*	*		*
Schwepker et al (1997)			*	
Shafer (2009)		*		
Shapira-Lishchinsky & Rosenblatt (2010)		*		
Shirey 2005	*			*
Sims & Kroeck (1994)	*	*		*
Sims & Keon (1997)	*	*		*
Stewart et al (2010)				*
Treviño et al (1998)	*	*		
Ulrich et al (2007)		*	*	
Vitell & Davis (1990)		*		
Woodbine (2006		*		

HPE1: The higher the degree of serious work force participation in decision-making, the higher the moral climate will be.

HPE2: The higher the stage of the moral climate, the higher commitment, psychological well-being and job satisfaction, and the lower absenteeism rates and turnover intentions and rates will be.

HPE3: The lower the stage of the moral climate, the lower commitment, psychological well-being and job satisfaction, and the higher absenteeism rates and turnover intentions and rates will be.

These hypotheses can be specified when differentiated notions of psychological well-being, job satisfaction, and commitment are used, for instance when specifying different aspects of job satisfaction or identifying various components and levels of commitment[117].

Special attention is devoted here to the procedural judgment climate study of Colquitt, Noe, and Jackson (2002) because it is one of the few studies addressing absenteeism while relating it to effectiveness, in particular team performance. Moreover, their contribution bridges the issues of psychological well-being and unethical behavior, since they file absenteeism under unethical behavior instead of considering it as an element of psychological well-being. The authors defined procedural justice as the fairness of decision-making procedures (with regard to consistency, bias suppression, accuracy, and correctability), and explained procedural justice climate as the average procedural justice perception within a team.

The authors hypothesized procedural justice climate level to be positively related to team performance and negatively related to team absenteeism. Furthermore, they suggested that controlling for climate level, procedural justice climate strength will be positively related to team performance and negatively related to team absenteeism, climate strength being a moderating variable. Their results showed that climate level was significantly related to both team performance and team absenteeism. The effects of climate level were moderated by climate strength: the relationships were more beneficial in stronger climates. Team size and team

collectivism were significant antecedents of climate level, and team size and team demographic diversity predicted climate strength (Colquitt, Noe & Jackson, 2002, 83).

➢ Unethical behavior (including mobbing and sexual harassment)

A rather obvious and even tautological thought concerns the relationship between unethical behavior (and similar terms) and moral climate: the higher the stage of moral climate is, the less unethical behavior will occur. Put reversely, the lower the stage of moral climate, the more unethical behavior will occur. However, the question is whether this applies to all kinds of unethical behavior equally. Moral climate researchers focusing on unethical behavior specify the answers to this question, as will be demonstrated below.
From the conceptual track in the present study, relations between moral climate types and forms of unethical behaviors may be hypothesized. For instance, it has been a tempting thought to examine whether the types of organizational configurations identified and described by Mintzberg (1983) all have their own specific forms of unethical behavior that are inherent to that configuration and its key parts[118], ingrained in the organization, in a manner of speaking. Another tempting though is to identify unethical behavior in terms of stakeholders involved (customers, work force, shareholders, government).

However, before carrying out these exercises, a preliminary remark needs to be made concerning the nature of unethical behavior. No univocal definitions of unethical can be given, since one can always ask, "Unethical according to whom?", and "Unethical according to which norms?" The situation is even worse since, according to Kohlberg's theory of cognitive moral development (discussed in chapter 4), every stage of moral development has its own concept of morality with its own strategies of moral argumentation, and hence its own definition of what counts as (un)ethical or (im)moral behavior. Of course, we could try to confine us to what counts as (im)moral behavior within a certain organizational configuration, a type of industry, or an organization, but this does not solve the problem while delivering us to an undesirable relativism. Therefore, it is proposed to specify the issue to "what generally counts as immoral behavior" from a Stage 4 or Stage 5 perspective (such as corruption, theft, lying, mobbing, sabotage, "cooking the books", "churning", non-compliance to safety-rules, "dirty tricks campaigns", et cetera), while noting there might some overlap between illegal and unethical behavior, as the typology of Robinson and Bennett (1995), discussed below, shows.

A number of authors, whose publications are review in the present study, have addressed the issue of moral climate and unethical behavior, notably Peterson (2002a; 2002b) and Vardi (2001). Other relevant contributions are Andreoli and Lefkowitz (2008), Appelbaum, Deguire and Lay (2005), Barnett & Vaicys (2000), Erondu, Sharland, and Okpara (2004), McKendall and Wagner (1997), Martin and Cullen (2006), Near, Baucus, and Micelli (1993), Ross and Robertson (2000), Schwepker and Good (1999), Weber, Kurke, and Pentico (2003), Wimbush and Shepard (1991; 1994), and Wimbush, Shepard and Markham (1997b). These publications will be discussed briefly in order of historical appearance, while noting that at times interesting findings are blurred by an uncritical use of the term moral or ethical climate or using terms bearing strong

associations with moral climate

Wimbush and Shepard (1991, 8-9; 1994, 640-640) and Wimbush, Shepard, and Markham (1997b), using the typology of Victor and Cullen, identified five types of ethical climates that can be divided into categories which would be expected to foster either unethical of ethical behaviors. They suggest that employees in (workgroups characterized by) caring, law and code, rules, or independence ethical climate (dimensions) are more likely to behave ethically than employees in (workgroups adhering to) an instrumental ethical climate do. More unethical behavior is to be expected to exist in organizations or organizational subunits in which decision-making is based on egoism, being the foundational principle for the instrumental dimension of ethical climate. However, the authors recognize that in the four ethical climate dimensions expected to foster ethical behavior, some unethical behavior may also occur. They believe is that the predominant behavior found within the organization will be ethical and the incidence of unethical behavior will be less frequent and deemed more unacceptable by members of the workgroup than in the instrumental dimension of ethical climate. The findings of Wimbush, Shepard, and Markham (1997b, 1711) were beyond their expectations. They had expected caring, service, law and code, and independence climates to be all negatively related to the different types of unethical behaviors (that included stealing, lying, disobeying company rules, and being an accomplice. In the models where these climates were significant, all of the relations were negative. An instrumental climate was expected to be positively related to the behaviors. However, it was found only to be related to being an accomplice.

Near, Baucus, and Micelli (1993) investigated antecedents of whistle blowing, choosing a values ethics perspective while using the term organizational climates for wrongdoing. Wrongdoing consisted of the following categories of behavior: stealing funds, stealing property, accepting bribes, waste, abuse of position, unfair advantage given to a contractor, tolerating unsafe practices, and serious violation of law or regulation within the agency. The authors attempted to identify measures of organizational values pertaining to whistle blowing and to examine these measures to determine their relationship to measures of actual practices, reflecting the occurrence and nature of wrongdoing, whistle blowing, and retaliation behavior. Their idea is that climates that are more positive would encourage whistle blowing. Near, Baucus, and Miceli believe that the most positive organizational climate is one (a) where the rate of wrongdoing is low, and (b) where wrongdoing that does occur is usually not serious; nonetheless, (c) wrongdoing that does occur in these systems is reported, (d) without reprisal toward the whistle blower. Taken together, these four dimensions constitute the definition that Near, Baucus, and Micelli use to indicate a positive climate for whistle blowing. The authors concluded that "positive" organizational climates may discourage serious wrongdoing and encourage whistle blowing under some conditions, but the relationship is not as straightforward as they expected. For instance, subunit members seem to commit wrongdoing and to retaliate against whistle blowers irrespective of their values.

Cohen (1993), using Merton's theory on social structure and anomie, examines how unethical and criminal behavior in the workplace occurs when management places inordinately strong

emphasis in goal attainment without a corresponding emphasis on following legitimate procedures, or even a disregard of legitimate procedures, in sum, little managerial concern about doing "the right thing". Unethical conduct is defined as intentional action evading responsibility, violating social contracts and, in most situations, resulting in harm. This type of social systems exhibiting a discrepancy between means and ends produces anomie, defined as a condition of normlessness and social disequilibrium where the rules one governing conduct have lost their savor and force. In turn, anomie in the social system may foster a sense of futility, alienation, mistrust, and powerlessness at the individual level.

Especially the profit focus of corporations creates a climate conducive to unethical activity at both the institutional and individual levels, since the employee's value to the organization is measured solely in terms of profit goals reached. Constant pressure to attain these goals heightens the probability that employees will feel compelled to engage in unethical or illegal practices in order to accomplish organizational objectives. However, not only profit organizations are possibly subject to anomie. Anomie theory can also be used to explain unlawful behavior in non-profit organizations. Though lacking explicit profit goals, their survival is, none-the-less, economically based, and thus similar pressures to achieve institutional objectives may exist and individuals may be expected responding to these pressures with unethical and illegal actions (Cohen, 1993, 345).

Cohen offers no explicit typology of ethical work climates and, instead, favors an implicit continuum from a less to a more ethical organization. At the one end is the positive moral climate, or ethical climate, in which organizational norms always facilitate agents that merit the trust of organizational stakeholders. At the other end is the negative moral climate, or unethical climate, which, conversely, is never conducive to such behavior. By implication, no specific connections can be made between anomie and moral climate type. However, when relating anomie to the climate typology advocated in the presented study, anomie can be found in a Stage 1 climate for punishment, and Stage 2 exchange climate, and a Stage 3/4 climate with an explicit teleological (consequentialist) dominant style of moral reasoning aiming at realizing the goals of the organization.

McKendall and Wagner (1997) claim that a weaker ethical climate is associated with greater corporate illegality, and suggest a wide range of relations and hypothesized that:

- the relationship between industry profitability and corporate illegality is weakened by a stronger ethical climate
- the relationship between organizational profitability and corporate illegality is weakened by a stronger ethical climate
- the relationship between industry concentration and corporate illegality is weakened by a stronger ethical climate
- the relationship between organization size and corporate illegality is weakened by a stronger ethical climate
- the relationship between structural complexity and corporate illegality is weakened by a stronger ethical climate
- the relationship between organizational decentralization and corporate illegality is weakened by a stronger ethical climate
- stronger ethical climate attenuates the interactive effect of industry profitability and industry concentration on illegality

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- stronger ethical climate attenuates the interactive effect of industry profitability and organization size on illegality
- stronger ethical climate attenuates the interactive effect of organizational profitability and organization size on illegality
- stronger ethical climate attenuates the interactive effect of industry profitability and structural complexity on illegality
- stronger ethical climate attenuates the interactive effect of organizational profitability and structural complexity on illegality
- stronger ethical climate attenuates the interactive effect of industry profitability and organizational decentralization on illegality
- stronger ethical climate attenuates the interactive effect of organizational profitability and organizational decentralization on illegality

Of course, the relationship between corporate illegality and ethical climate is an important one to examine. However, a considerable flaw in their approach is using the term ethical climate in a non-specific way, that is, without reference to a particular theory or typology. They also use the term in a normative meaning when speaking of a stronger or a weaker ethical climate, however without specifying what makes an ethical climate stronger or weaker, and without referring to the descriptive ethical climate

Schwepker and Good (1999) examined the relationship between perceived quota difficulty and moral judgment, while considering ethical climate (and other variables) as potentially moderating this relationship. They suggested that the more ethical the climate, the less the impact of perceived quota difficulty on moral judgment. Concerning ethical climate as a moderator, Schwepker and Good (1999, 48-49) found that when the climate is perceived as ethical, the relationship between quota difficulty and moral judgment is not significant, even when negative consequences for failing to make quota are present. However, when the climate is perceived as unethical, and negative consequences are likely to result from failing to achieve quota, there is a statistically significant negative relationship between quota difficulty and moral judgment. According to the authors, it appears that a more difficult quota will not result in poorer moral judgment when an ethical climate exists, despite the negative consequences resulting from failing to achieve quota. However, it may be that those working in an unethical climate are simply more likely to face negative consequences for quota failure. Unfortunately, they used a very shallow conception of moral climate, thus preventing us to arrive at conclusions that are more specific.

Barnett & Vaicys (2000) examined the direct and indirect effects of individuals' perceptions of work climate on their ethical judgments and behavioral intentions regarding ethical dilemmas. Ethical climate helps an organization member to answer questions such as "What issues have ethical content?", "What are the appropriate decision criteria?", "What is the correct alternative in the organization's view?" and "What should I do?". Thus, the perceived ethical climate aids the individual in determining issues that are ethically pertinent, and what criteria should be used to understand, evaluate, and resolve those ethical issues (2000, 351-352). Barnett and Vaicys (using the terminology of Victor and Cullen) suggest that perceptions of ethical work climate will

affect individuals' stated intentions to engage in ethically questionable behavior as well as the nature of the relationship between individuals' ethical judgments about an issue and their behavioral intentions. They suggested (a bit in circular manner) that normative climates characterized by high perceived levels of egoism will be more likely to be associated with stated behavioral intentions to engage in ethically questionable or ambiguous actions. In line with this claim, they suggested that in normative climates characterized by higher perceived levels of egoism, the relationship between judgments that an action is morally acceptable and individual behavior will be stronger than in climates associated with lower perceived levels of egoism. Furthermore, they claimed that normative climates characterized by perceived high levels of utilitarianism (benevolence) would be less likely to be associated with stated behavioral intentions to engage in ethically questionable or ambiguous actions. In addition, in normative climates characterized by higher perceived levels of utilitarianism (benevolence), the relationship between judgments that an action is morally acceptable and individual behavioral intentions will be weaker than in climates associated with lower perceived levels of ethical utilitarianism. Finally, the claimed that normative climates characterized by perceived high levels of deontology will be less likely to be associated with stated behavioral intentions to engage in ethically questionable or ambiguous actions. This was followed by the claim that in normative climates characterized by higher perceived levels of deontology, the relationship between judgments that an action is morally acceptable and individual behavioral intentions will be weaker than in climates associated with lower perceived levels of ethical deontology. The results of their study provided relatively strong support for the moderating effect of ethical work climate as formulated in their research claims. However, the strength of the ethical judgment-behavioral intentions relationship varied, depending on the individual's perception of ethical climate. The results did not support a direct effect of ethical climate on behavioral intentions. The general patterns of the results suggest that an individual's perception of the ethical climate of the organization may not directly affect their stated behavioral intentions regarding ethically questionable activities. However, perceptions of the ethical climate might have a more indirect effect on individuals' behavioral intentions through their impact in the ethical judgment-behavioral intentions decision link. The likelihood that an individual will engage in morally questionable behavior they themselves do not consider unethical may be affected by the ethical climate they perceive. Their initial claims were not confirmed, probably due to research bias (inadequate sample population). .

Ross and Robertson (2000) investigated the impact of decision context upon lying. Using a very general moral climate concept (with no underlying typology), they tested the usefulness of a person-situation framework interactionist framework (Treviño, 1986) in examining the willingness of a salesperson to lie to get an order. They found that respondents were less willing to lie to their own company than to other stakeholders, most of all to competitors. With respect to ethical climate, the authors posited that individuals who perceive that their firm provides and implements guidelines about ethical behavior will be less likely to engage in an unethical act and more likely to consider competitors. Greater ethical clarity results in less willingness to engage in lying. There appeared to be no relation between incentive-based compensation and unethical behavior.

Vardi (2001) defined organizational misbehavior as "any intentional action by members or organizations that defies and violates (a) shared organizational norms and expectations, and/or (b) core societal value, mores and standards of proper conduct". Vardi (2001, 327) found that the more the overall organization climate is perceived as positive, the lower will be the level of reported intentional organizational misbehavior and that the more overall organizational climate is perceived as supportive, both socially and emotionally, the lower will by the level of reported organizational misbehavior. Furthermore, he found that the more the organization reward system is perceived as inequitable, the higher will be the level of organizational misbehavior. Vardi's research confirmed the existence of subclimates, and, not surprisingly, that misconduct may be quite prevalent in the company regardless of rank differences.

Peterson (2002a; 2002b) investigated how ethical climate dimensions (taken from the typology of Victor and Cullen) affect unethical employee behavior and which role codes of ethics play, and examined the possibility of predicting various types of negative workplace behavior while using the Ethical Climate Questionnaire to assess the ethical climate of organizations. Peterson suggested that deviant workplace behavior might be predictable from the organization's ethical climate, and certain ethical climate types might be related to the various classes of deviant workplace behavior, including fraud, vandalism, theft, withholding effort, lying, spreading malicious rumors, aggressive behavior, and sexual harassment. Peterson defined workplace deviance as voluntary behavior violating significant organizational norms, and in so doing threatens the well-being of an organization, its members, or both. Following Robinson and Bennett (1995), Peterson distinguishes four classes of deviant behavior, each consisting of three deviant work behaviors each: production deviance, political deviance, property deviance, and personal aggression (2002b, 53)[119]. Nine types of deviant behavior were included in the research:

- exaggerate the benefits of a product or service,
- calling in sick to take a day off even though other employees will have to make up for the slack,
- stealing inexpensive company items such as pens and stationary,
- give gift/favors in exchange for preferential treatment,
- divulge confidential information about a fellow employee,
- lying to conceal one's errors,
- falsifying time /quality/quantity reports,
- not reporting others for violating company policy and rules, and
- padding an expense account by up to 10% (Peterson, 2002a, 320).

Peterson found that the only climate dimensions (from the model of Victor and Cullen) that proved to correlate positively with unethical behavior were Self Interest and Company Profit. High scores on these dimensions were associated with frequent unethical behavior, while all other dimensions were inversely related to the amount of unethical behavior. The frequency of unethical behavior was higher in the Egoism climate that in any other climate type. Results also showed that the Employee Focus, Personal Ethics, and Self-interest dimensions were each significant predictors for two of the three Production Deviance Items. The only ethical climate dimension entering the logistic regression model of the three items representing Political Deviance was Employee Focus. This, it would appear that companies showing high concern for the employees are less likely to experience deviant political behavior. The clearest relationship - a

negative correlation - was found between political deviance and a caring climate, meaning that when employees feel that the organization is concerned with the welfare of its workers, they are less likely to experience or engage in political deviance. For Property Deviance, both the Rules and Laws ethical dimensions were significant predictors for two of the three items. These findings suggest that an ethical climate, emphasizing adherence to company rules along with adherence to professional standards and the law, is less likely to experience Property Deviance. The Efficiency Climate was also found to be a significant predictor of the item 'taking company property without permission'. The final category of deviant behavior, Personal Aggression, did not show any clear pattern with respect to its relationship with the ethical climate dimensions.

From a different quarter, Brugman, Heymans, Boom, Podolskij, Karananova, and Idobaeva (2003) investigated the effects of a moral intervention program on the perceptions of moral atmosphere in school and norm transgressive behavior of adolescents in and around school. Norm transgressive behaviors include drug and alcohol abuse, teasing, truancy, fighting, stealing, and vandalism. The authors suggested that the perception of moral atmosphere in the school is a much better predictor of norm transgressive behavior and/or pro-social behavior that is moral competence. The perception of a more positive moral atmosphere would lead to less transgressive behavior. The authors identified three components of moral atmosphere: connectedness with school (sense of community and positive social relations within school, constraint (negation of community and rejection of the school), and collective (contextual) moral judgment (content of the norm helping, content of the norm rejecting of theft, stage of the collective norm, and general moral atmosphere). Results showed that the components of perceived moral atmosphere (connectedness, constraint, and collective moral judgment), moral self-complexity, and moral competence all contribute uniquely to the prediction of norm transgressive behavior. The most successful components were connectedness with school and constraint, rather than collective contextual moral judgment.

Weber, Kurke, and Pentico (2003) confronted employee theft with ethical work climates. They found that organizations that reported no theft had higher rules and procedures, caring, and law and professional codes climates or what the authors label morally preferred climates.
While testing the typology of Victor and Cullen in a Nigerian banking context characterized by general occurrence of corruption, Erondu, Sharland, and Okpara (2004) found that when employees perceived that they must follow company rules and procedures (including acceptance of corruption), they considered the company to be acting less 'legally'. Despite their focus on corruption, they did not give a systematic account of the relationship between moral climate type and corruption, apart from the results notified. In fact, this finding shows a mismatch between moral climate and stage of individual cognitive moral development, since employees recognized the unethical aspects of banking because their own "moral compass".
Appelbaum, Deguire, and Lay (2005) do not report of own research, but instead, give an overview of research contributions and offering suggestions for interventions preventing unethical behavior.
In their overview contribution, Martin and Cullen (2006) consider outcome variables, including dysfunctional behavior (including lying, stealing, falsifying reports, and accepting gifts

or favors). They consider dysfunctional behavior as an important individual-level work outcome that should necessarily be considered in climate research. Various forms of misbehavior are anticipated to occur in organizations where members perceive an instrumental climate and a lack of principled climate expectations such as might be emphasized through ethical codes. In contrast, research suggests that the social support resulting from caring climates deters employee deviance. Similar research also focuses on moral reasoning and decision-making deemed ethical or unethical, arguing that caring and principled climate perceptions lead to higher levels of ethical reasoning and more ethical decision-making, and hence less unethical behavior. Martin and Cullen found negative correlations for the caring, law and code, rules, and independence climate perceptions and above small positive correlations for instrumental ethical climate perceptions.

Andreoli & Lefkowitz (2008) defined organizational misconduct, in terms of five types of organizational misbehavior, unethical or hostile behavior, including: (a) abusive or intimidating behavior toward employees, (b) lying to employees, customers, vendors or to the public, (c) a situation that places employee interests over organizational interests, (d)violations of safety regulations, (e)misreporting of actual time worked. They found that lower organizational ethical climate was associated with observing more misconduct by others (2008, 11). Unfortunately, the concept of ethical climate seems to play a minor role in their research. It is explained hardly, with little references made to the extant literature, and used in a normative, prescriptive meaning ("lower ethical climate", "less ethical work climate", "poorer ethical climate", "high ethical climate", 2008, 11, 12, 17), rather than taking it as a descriptive measure with an underlying typology.

Using the typology of Victor and Cullen, Bututlar and Öz (2008) explored the effects of bullying behavior upon the relationship between ethical climate types and organizational commitment. Bullying behavior involves personal attacks, physical threats, work- related bullying, and underestimating employees[120]. The authors found that the instrumentality factor of ethical climate was observed to have a significant effect on all of the dimensions of bullying and on affective and normative commitment. On the other hand, rules climate had a significant effect on only three bullying dimensions: personal attacks, physical threats and work-related bullying. Profit climate was observed to affect three, but different, bullying dimensions: personal attacks, work-related bullying and underestimating. Caring climate was observed to have a significant effect only on physical threats and underestimating dimensions. Further, the results indicated that among ethical climate's dimensions caring and instrumentality had significant effects on affective and pay up types of organizational commitment. Additionally "independent" ethical climate had a significant effect on normative commitment. None of the ethical climate types had a significant effect on continuance commitment.

In sum, extant research has found relationships between ethical climate and a number of unethical behaviors, including lying (Martin & Cullen, 2006; Ross & Robertson, 2000; Wimbush, Shepard & Markham, 1997b), stealing (Martin & Cullen, 2006; Wimbush, Shepard & Markham, 1997b), falsifying reports (Martin & Cullen, 2006), disobeying company rules, being an unethical accomplice (Wimbush, Shepard & Markham, 1997b), production deviance, political deviance, property deviance, personal aggression (Peterson, 2002b), unethical sales (Schwepker & Good,

1999), organizational misbehavior (Vardi, 2001), and general unethical behaviors (Peterson, 2002a).

HUB1: Organizations with a Stage 1 climate for punishment or a Stage 2 exchange climate will exhibit more unethical behavior (notably, concerning production deviance, property deviance, and personal aggression) than organizations with a higher stage moral climate.
HUB2: When in organizations with a Stage 3 inclusion climate (of either a formal or an informal group) unethical behavior (notably concerning political deviance) occurs, this unethical behavior is covered up.
HUB3: Organizations with a Stage 3/4 company climate tend to unethical behavior when compliance to governmental regulations harms economic performance.
HUB4: The higher the stage of the moral climate, the less unethical behavior there will be.
HUB5: Personal aggression occurs in any moral climate type, though the least in a Stage 5 social contract and a Stage 6 universalistic climate.

➢ Trust

Though trust can be considered as an element of ethical leadership, it is also a climate variable on its own, either characteristic or outcome. In moral climate theory, only few contributors connect trust with moral climate. Examples are Kohlberg, Kauffman, Scharf, and Hickey (1975, 248) who consider trust as an element of a just community while using the expression creating a climate of trust, as did Reimer and Power (1980, 305), Higgins, Power, and Kohlberg (1984), Kohlberg and Higgins (1987, 107, 117), and Power, Higgins, and Kohlberg (1989, 108, 125-126). In his model, Snell (1993, 72) includes spread of trust as an element, by asking:

- How much do people trust those outside their immediate circle?
- To what extent are people suspicious of those they do not know?
- How important is trust in the running of the organization?

According to Snell (1993, 75-77), a high spread of trust occurs when people extend a sense of affiliation and goodwill beyond the boundaries of their immediate circle of friends. It is low if everyone is suspicious of everyone else, even of those who work in close proximity. A widespread trust entails open discussion in decision-making. A high spread of trust will lead to friendly *non- challenge*, and people minding their own business. A low spread of trust across the organization will lead to an orientation on narrow circles, either formal (teams or units) or informal (all sorts of cliques), whereas secrets will only be shared with intimate colleagues and companions. It may also lead to a cold tedium, indifference and inter-group rivalries, and even to hostility stemming from physical isolation. In subsequent contributions, Snell, Taylor, Wai-Han Chu, and Drummond (1999, 368) connect high levels of trust with post-conventional moral climates, whereas Snell (2001a, 336) connects trust with learning ("learning organizations base collective learning relationships between the organization and individual employees on critical trust and transparent decision-making"). Despite the essential place of trust in his moral ethos model, Snell does not give a detailed account of trust, apart from distinguishing deference trust and critical trust, on several occasions. According to Snell, under deferential trust, authorities are assumed, by default, to act with integrity, care, and wisdom, in according with moral tradition,

while critical trust stems from transparency and openness, where justice is seen to be done. Apart from Snell, other authors mentioned the importance of trust, for instance, Parboteeah and Cullen (2003, 143, 149) positing that through the emphasis on mutual respect and trust, people can develop a sense of community. Dorsch, Swanson, and Kelley (1998) measured trust as an element of moral climate, as did Babin, Boles and Robin (2000), Cohen (1993, 344; 1995), Collier (1998, 538), Gonzalez-Padron, Hult, and Calantone (2008), Ingram, LaForge, and Schwepker (2007), Jobim and De Arruda (2004, 2), Kaptein (2008), Loe (1997), Mulki, Jaramillo, and Locander (2006a), Mulki, Jaramillo, and Locander (2008a), Olson (1998), and Rosenblatt and Peled (2002). Agarwal and Malloy (2008, 14, 16-17) emphasized the importance of trust as an element of higher moral climates (trust as an aspect of benevolence), whereas Liao and Rupp (2005, 243) connect a climate for justice with trust. In general, these authors describe the tendency of climates that are more ethical also exhibit higher levels of trust (trust mostly being viewed in a taken-for-granted way, sometimes specified to supervisor-employee relations while seeking connections with job satisfaction, commitment, and turnover intentions).

Ruppel and Harrington (2000, 315) examined the effect of trust and its antecedents, corporate climate and communication on employee commitment and the innovativeness of organizations. They considered from two perspectives, as evolving from social relationships, indexed by frequency and duration of contact, and as evolving from organizational forms (for instance, climate) and management philosophies. The authors see these phenomena underlying trust as closely related. Trust is explained in terms of mutual openness in job-related communication and cooperation and has a three stage developmental character that differs in its early, developing, and mature states. They formulated hypotheses including "The greater the open communication among managers and employees, the greater the level of trust in the organizational subunit" and "The more a corporate climate emphasizes human relations and employee interests, the greater will be the openness of employee communications". While the use the ethical climate typology of Victor and Cullen, Ruppel and Harrington posit that self-interested climates would be less conducive to the existence of trust, whereas benevolence climates would be more conducive to the existence of trust in organizations. Furthermore, they suggested a link between climate, trust, and organizational performance. Trust leads to commitment, which in turn leads to enthusiast cooperative and innovative effort beyond that gained from simple financial incentives or contracts.

Employee trust was measured by two Likert-style seven-point questions (2000, 321): "In general, I can rely on my subordinates to keep the commitments they make to me", and "I have found that my employees are unusually dependable, especially when it comes to things which are important to me". In addition, managers' perception of an atmosphere of trust was measured by agreement or disagreement with "The atmosphere within this organization can best be described as one of mutual confidence and trust". Ruppel and Harrington found that employee communication was significantly and positively related to employee trust and atmosphere of trust, whereas the individual interest ethical climate had a strong negative relationship to trust and principled organizational climate was positively related to open employee communication. Trust was also found to be related to commitment and innovation.

Pareek (1994, 154) takes trust (considered as a value) as an important element in his organizational ethos model and defines trust in terms of maintaining confidentiality of

information shared by others and not misusing it. Trust also includes a sense of assurance that others will help when needed and will honor mutual obligations and commitments. Pareek found that trust promotes organizational learning.

It is possible to distinguish several aspects and forms of trust, for instance, between the negative and the positive variant of trust (the negative variant meaning that you are convinced that other people will not do you harm, whereas the positive variant means that other people mean the best for you and even put your interest above theirs). Apart from individual expectations concerning a positive outcome in situations with little personal control, trust implies the interpersonal readiness to make oneself vulnerable to the actions of other people, through three steps: giving trust, enjoying trust, and confirming trust (Hosmer, 1985, 383-384; Spiecker, 1991, 87, 89, 92). According to Homer (1985, 388-389, 391), trust can also be viewed as an aspect of formal or informal social structures (of groups, organizations, and societies), as a collective attribution within a social system meaning that the people participating in the system expect each to be trustworthy. In a line with a structurational approach, communication processes are an important medium in consolidating and developing trust whereas communication can also foster mistrust. Therefore, open and transparent communication is an element of trust and can take several forms (Eisenberg, 1987):

- Openness as *self-disclosure*, by yielding up personal information about emotions, motives, ambitions, personal problems and experiences. Lack of this of openness implies an impersonal attitude and little "human interest".
- Openness about *functional matters*, the degree to which information about own activities are provided to fellow workers, superiors, or subordinates. Lack of openness means withholding information that others may need to perform their tasks properly.
- Openness as *directness*, as the degree to which messages are delivered directly, that is, straightforwardly and without long ways about.

In a Stage 1 climate for punishment, both self-disclosure and directness may be risky. Withholding information about functional matters may be both a power resource and part of a negotiation strategy in a Stage 2 exchange climate.

A final element to be mentioned here concerns feelings of safety. Lack of trust may lead to increased feelings of insecurity, or even the feeling of being threatened (Janoff-Bulman & Janson Frieze, 1983).

After having compared a number of definitions of trust and discussed varieties of trust, Hosmer (1995, 399) defines trust as "the optimistic expectation by one person, group, or firm of the behavior of another person, group, or firm in a common endeavor or economic exchange, under conditions of vulnerability and dependence on the part of the trusting party, for the purpose of facilitating cooperation between both parties that will result in an ultimate joint gain but, given the lack of effective contractual, hierarchical, legal, or social enforcement methods, with reliance upon a voluntarily accepted duty by the trusted party to protect the rights and interests of all others engaged in the endeavor or exchange". In the meantime, the following hypotheses regarding the relationship between trust and transparent communication and moral climate can be postulated.

HT1: In a Stage 1 climate for punishment and a Stage 2 exchange climate, trust and

openness (in all meanings) will be almost absent, leading to indifference among the work force, or even paranoia or hostility, and strong feelings of being unsafe.

HT2: In a Stage 3 inclusion climate, trust and transparent, open communication (self-disclosure and functional openness) will be limited to the formal or informal circle employees are part of, whereas directness may occur less frequently (because of keeping up appearances of good relations, group-cohesion, and not wanting to hurt fellow-workers).

HT3: A Stage 3/4 company climate and even more a Stage 4 community climate are characterized by friendly non-challenge, moderate self-disclosure, much open functional openness, and few or much directness (depending on the type of organization and the organizational culture).

HT4: In a Stage 5 social contract climate and a Stage 6 universalistic climate, trust and readiness for transparent, open communication (in all meanings) will be high, leading to tough open debates.

HT5: The higher the stage of moral climate, the stronger the feelings of being safe will be.

➢ Conflict resolution

One of the parameters of moral climate is the way conflicts are resolved in relation with the dominant conflict sphere(s) (Huguenin, 2004, 37-42; 61-69; Van de Vliert, Kirkbride & Tang, 1990). Conflicts can be arranged into conflict spheres according to their contents:

- *Interests sphere*: individuals and groups within and outside the organization may have all sorts of interests that may or may not go along.
- *Vision, opinion, and identity sphere*: divergences of visions and opinions concerning values and what is worth pursuing may cause conflicts hard to resolve because they refer to personal identity.
- *Social-emotional sphere*: personal annoyances, irritations, prejudices, dislikes, past unpleasant experiences may cause interpersonal conflicts of social-emotional nature.
- *Task and organizational sphere*: complex or poorly organized tasks within and between (people in) organizations (for instance concerning contents of tasks, competences, responsibilities, skills, procedures). These circumstances may evoke conflict; although there need not be an initial clash of interests, incompatible visions, or personal dislikes or hostilities, they may evolve when conflicts are not resolved properly.

Conflict styles include:

- Avoiding by not engaging in the conflict (No Way)
- Accommodating or submitting by appeasing the other side (Your Way)
- Competition or forcing in a win-lose situation (My Way)
- Compromising by finding a middle position (Half Way)
- Cooperation or collaboration by trying to meet the goals of all parties (Our Way)

When relating conflict resolution to moral climate, the following hypotheses can be formulated:

HCR1: In a Stage 1 climate for punishment, conflicts lying in the interests sphere will occur widely and will be resolved by either forcing, or by submitting or avoiding when there are no perspectives on good results.

HCR2: In a Stage 2 exchange climate, conflicts of interests will occur widely and be resolved by negotiation (seeking compromises) with relatively little attention for good relations with negotiation partners.

HCR3 In a Stage 3 inclusion climate, conflicts of interests will be resolved by negotiation or cooperation because of good relations, whereas social-emotional conflicts will be either avoided or will lead to tacit or open exclusion (for instance, through mobbing).

HCR4: In a Stage 3/4 company climate, conflicts of all kinds will be avoided because of the higher interests of the organization, or alternatively, accommodated because of the same higher interest (as an alleged coinciding of individual and organizational interests).

HCR5: In Stadium 4 community climate and a Stage 5 social contract climate, conflicts lying in the vision, opinion, and identity sphere will be avoided (accepting each other as they are) or are translated in to conflicts of interests that will be resolved by forcing, cooperation, or seeking compromises, preferably in terms of "Our Way".

➢ Learning

Though a concept such as "the learning organization" seems to be established, there is hardly any research investigating the relationship between moral climate and learning (apart from Snell, 2001). Nevertheless, hypotheses can be formulated about relations between moral climate and opportunities for learning, moral climate and (imposed or required) forms of learning (zero learning, single-loop learning, double-loop learning, and triple-loop learning, Argyris& Schön, 1978; Romme & Van Witteloostuijn, 1999), disciplines of the learning organization and moral climate (Senge, 1990, 5-11), and learning disabilities and moral climate (Senge, 1990, 17-26).
In a lofty definition of learning, learning stems from continual dialogue conducted with compassion in an atmosphere of curiosity and openness. People discuss what they have learned in the process and report their discoveries to a wider forum drawn from the rest of the member community (Snell, 1993). However, other circumstances also foster learning, though probably not always in the right direction and with the right pace. For instance, in a Stage 1 climate for punishment, people can learn how to avoid punishment or more generally, how to survive the petty tyranny of their superiors. In a Stage 2 exchange climate, people can learn to consummate their negotiating skills. In a Stage 3 inclusion climate, people can learn to take care of good mutual relationships. One could even say that every moral climate type involves its own climate for learning. It may be convenient to distinguish between one kind of non-learning and three kinds of learning, zero learning, single-loop, double-loop, and triple-loop learning (adapted from Argyris & Schön, 1978, 2-3; Flood & Romm, 1996a, 1996b; Romme & Van Witteloostuijn, 1999; Snell & Chak, 1998; Swieringa & Wierdsma, 1992; Wierdsma & Swieringa, 2002, 48-52), and use this trichotomy to formulate hypotheses about the relationship between learning and moral climate.

1. Zero learning occurs (for instance, in an organizational setting) when fresh imperatives or problems arise, yet members fail to take corrective action.
2. Single-loop learning is learning by following and perfecting the rules, policies, procedures, and strategies in order to permit (people in) the organization to carry on present policies or to achieve present objectives, based on the leading question "Are we doing things right?" Probably, in most organizations, people learn according to the principles and methods of single-loop

learning by trying to detect and correct deviations from the rules, policies, procedures, and strategies, without exploring the causes or reasons for these deviations.

3. Double-loop learning involves the modification of the rules, procedures, policies, strategies, and objectives (renewal within the limits of extant principles). Double-loop learning means that people are able to reflect on whether the objectives, rules, procedures, policies, and strategies themselves should be changed, based on the question "Are we doing the right things?" This kind of learning involves critical and creative "thinking outside the box" while reframing the problem, and helps to understand why some solutions work better than others do to solve a problem or achieve a goal. Double-loop learning is considered critical to the success of an organization, particularly during times of rapid change, when facilitating its adaptive potential.
4. Triple-loop learning involves learning how to learn by reflecting on how we learn (in order to learn to learn how to learn). People reflect on how they think about the rules, procedures, policies, and strategies beyond the question whether the rules should be changed. Triple-loop learning helps to understand others and ourselves in terms of their beliefs and perceptions and about how we learn and can improve our learning. According to Flood & Romm (1996a; 1996b), triple-loop learning is about increasing the fullness and deepness of learning about the diversity of issues and dilemmas faced and ways of managing them, by linking together all local units of learning in one overall learning infrastructure as well as developing the competences and skills to use this infrastructure. Triple loop learning manifests itself in the form of "collective mindfulness" when members discover how they and their predecessors have facilitated or inhibited learning, and produce new structures and strategies for learning. According to Wierdsma and Swieringa (2002, 51), triple-loop learning also involves questioning the principles of the organization, for instance by asking "Is rightness buttressed by mightiness and/or mightiness buttressed by rightness?" (Flood & Romm, 1996b, 160). Genuine triple-loop learning involves all three questions from the three loops into one overall awareness. "Are we doing things right, and are we doing the right things, and is rightness buttressed by mightiness and/or mightiness buttressed by rightness?" (Flood & Romm, 1996b, 162).

The five disciplines of the learning organization include (Senge, 1990, 5-11):

1. *Personal mastery*: the commitment by an individual to the process of learning and continually clarifying and deepening personal visions, focusing energies, developing patience, and seeing *reality objectively*
2. *Mental models*: the terms given to ingrained assumptions, generalizations, or even pictures and images held by individuals and organizations that influence how we understand the world and ho we take action, and that have to be challenged for a an organization to become a learning organization
3. Building *shared vision*: the capacity of holding a genuinely shared picture of the future we seek to create.
4. *Team learning*: the accumulation of individual learning through open dialogue and recognizing the patterns undermining learning.
5. *Systems thinking*: (the fifth discipline integrating the other four disciplines).

Furthermore, Senge (1990, 17-26) distinguished and discussed seven general learning disabilities of people in organizations:

1. "I am my position" (emerging when people fail to recognize their purpose as a part of the enterprise, and instead, they see themselves as an inconsequential part of a system over which they have little influence, leading them to limit themselves to the jobs they must perform at their own positions).
2. "The enemy is out there" (external attribution by blaming others or the situation while failing to consider the own share).
3. The illusion of taking charge (reactiveness disguised as proactiveness; true proactiveness come from seeing how we contribute to our own problems).
4. The fixation of events (seeing things as results of short-term events, undermines the ability to see things on a grander scale and in terms of processes).
5. The parable of the boiling frog (as the inability to see slow, gradual processes).
6. The delusion of learning from experience (because we never directly experience the consequences of many of our most important decisions).
7. The myth of the management team (consisting of members skilled in incompetence, and prone to groupthink, added, HB).

Especially, in team- or unit-based organizations, groupthink may be an impregnable barrier to learning (De Moor, 1989, 83-94; Gerrichhauzen, 1991; Janis, 1972; Van Zanten, 1996, 217-239). Groupthink is a type of thought exhibited by group members trying to minimize conflict and reach consensus without critically testing, analyzing, and evaluating ideas by ruling out individual creativity, uniqueness, and independent thinking in the pursuit of group cohesiveness. Groupthink tempts members of the group to avoid promoting viewpoints outside the comfort zone of consensus thinking, driven by motives including avoiding being seen as foolish, avoiding embarrassing or angering other members of the group, or fear of upsetting the group's balance. In order to make groupthink testable, Janis (1972, 9) defined groupthink as a mode of thinking that people engage in when they are deeply involved in a cohesive in-group, when the members' strivings for unanimity override their motivation to realistically appraise alternative courses of action. Janis identified eight symptoms indicative of groupthink (1972):

- Illusions of invulnerability creating excessive optimism and encouraging risk-taking.
- Rationalizing warnings that might challenge the group's assumptions.
- Unquestioned belief in the morality of the group, causing members to ignore the consequences of their actions.
- Stereotyping those who are opposed to the group as weak, evil, biased, spiteful, disfigured, impotent, or stupid.
- Direct pressure to conform placed on any member who questions the group, couched in terms of "disloyalty".
- Self censorship of ideas that deviate from the apparent group consensus.
- Illusions of unanimity among group members, silence is viewed as agreement.
- Mindguards - self-appointed members who shield the group from dissenting information.

Antecedent conditions of groupthink include directive leadership, homogeneity of members' social background and ideology, and isolation of the group from outside sources of information and analysis.
Groupthink results in hasty, irrational, and often inadequate (moral) decision-making. That is,

consensus-driven decisions are the result of the following practices of groupthinking: incomplete survey of alternatives, incomplete survey of objectives, failure to examine risks of preferred choice, failure to reevaluate previously rejected alternatives, poor information search, selection bias in collecting information, and failure to work out contingency plans.

Concerning the relation between learning and moral climate, the following hypotheses can be formulated:

HL1: A Stage 1 climate for punishment and a Stage 2 exchange climate foster zero learning or single-loop learning while preventing double-loop and triple-loop learning.

HL2: The development from pre-conventional Stage 2 exchange climate to conventional moral climate stages involves double-loop learning.

HL3: Groupthink is a treat to double-loop learning in a Stage 3 inclusion climate and, to a lesser degree, to a Stage 3/4 company climate.

HL4: Building a shared version is no option in a Stage 1 climate for punishment and a Stage 2 exchange climate, but a challenge to develop a Stage 3 inclusion climate to a Stage 3/4 company climate.

HL5: The learning disabilities "I am my position" and "the enemy is out there" are typical to a myopic Stage 3/4 company climate and a Stage 4 community climate.

HL6: Double-loop learning goes together with a Stage 4 community climate.

HL6: Triple-loop learning and personal mastery go together with a Stage 5 social contract climate, a Stage 6 universalistic climate, and a Stage 7 spiritual climate.

6.3.3 Thick descriptions of moral climate stages

The characteristics of moral climate types, their antecedents and their consequences, identified in the previous subsection can be arranged into thick descriptions of moral climate types arranged according to the stage theory of Kohlberg. These thick descriptions consist of mutually attracting parameters constituting moral climate configurations.

In reality, things may appear to be a bit more complicated, especially when no moral climate type is dominating but, instead, a mixed moral climate exists, generally consisting of two adjacent moral climate types, for instance Stage 3/4 company climate and Stage 4 community climate, or Stage 4 community climate and Stage 5 social contract climate.

From the descriptions presented in chapter 4, it can be derived that especially the conventional moral climate types may show a wide diversity because of the different parameters with each conventional moral climate type.

For each "pure" moral type, a description is presented addressing the hypotheses formulated in the previous subsection. It describes its link with concept of environment, concept of strategy, concept of production, concept or organization (structure, culture, and administrative processes), and concept of personnel. It also describes the middle part of the research model, notably concept of leadership and individual stage of cognitive moral development. On the output side, it describes consequences (that can be considered as defining features as well), including learning, conflict resolution, unethical behavior (including mobbing), trust, psychosocial effectiveness (including job satisfaction, commitment, turnover rates and intentions, and

psychological wellbeing), and general performance. Furthermore, each moral climate type will be considered in terms of strengths, weaknesses, threats and opportunities. For each moral climate type, specific issues and developmental themes are identified, as well as ways of dealing with them in a way that is both stage-sensitive and stage-specific from a developmental point of view. The presentation of the moral climate configuration appears to be asymmetrical. Relatively much attention is paid to the Stage 1 climate for punishment climate, whereas other moral climate types are discussed in a more concise manner. The reason for doing so is twofold. The one reason is of the substantial kind and concerns what I have termed a carceral regime (the ugly face of organizing) which has my special attention (Bennink, 2007), for instance because any organization in peril may regress to a Stage 1 for punishment climate. The other reason is a pragmatic reason: complete thick descriptions require a good deal of space, and in fact, ask for monographs. In the descriptions, I refer to the hypotheses formulated above (represented **bold**).

I. The pre-conventional moral climate types

- The Stage 1 climate for punishment: characteristics, antecedents, and impact

The very essence of a moral climate for punishment is the exertion of power through the arbitrary and hasty application of sanctions, mostly of the negative kind, that is, through punishment. The arbitrariness and hastiness of sanctioning does not only concern whether and who is being punished, but the kind of punishment and its sentence, too. Since there often is no specific relation between a rule that has been violated and the subsequent punishment, a climate for punishment can be characterized in terms of the permanent short circuit between power and justice, in other words, tyranny. Of course, employees can break rules (for instance, when annexing or deliberately damaging company property, being wrongfully absent, not complying with safety rules, or otherwise) and get punished for it. McGregor's Theory X is not designed without reason or referent. In those cases, there can be a formal and clear relation between misdemeanor and previously established sentences. There can be said virtually nothing in favor of organizations with a climate for punishment. A critical success factor is the extreme but forced decisiveness (*'Kadavergehorsam'*, rigid discipline). Apart from this, there will be few defensible occasions to subject people in an adult society as is ours to a climate for punishment. This type of climate even may be rather vulnerable because chaos may break out as soon as management loses their grip on the organization, at the expensive of productivity. Zapf (1999, 20) mentions a variety of costs that may be inherent to organizations with a climate for punishment through sick leave, turnover, loss of commitment, legal procedures, sabotage, poor output quality, slow working when surveillance is absent

One might ask whether organizations (or parts of it) with a climate for punishment do really occur in modern Western societies. European Labour legislation probably limits its incidence, but still there are organizations that do show a climate for punishment, at least some tendencies, for instance in those organizations permitting petty tyranny (including mobbing and bullying) (Bakan, 2004). Well-known were the undercover reports of German reporter Günter Wallraff (1976) offering a horrifying insight into German factories and its tyranny. Some branches of industry, notably the prostitution sector, are well known for their tyrannical and punitive culture. More important is looking at organizations with a climate for punishment from a global perspective. Many employees in former Eastern Europe (DDR, USSR, Poland, and

Czechoslovakia) still suffer from the period of distrust and repression. Factories in China and India (to mention only two large countries that are well-known for their poor working conditions and bad labor relations) may exhibit a climate for punishment (as became apparent in 2007 when reports were given about modern slavery in China where people had to work fourteen hours each day, seven days a week, thirty days each month, earning three or four cents pro hour). In other countries, including Honduras, Nicaragua, and Bangladesh sweatshops exist surrounded by barbed wire, too. Behind closed doors, young women are under close surveillance of harsh supervisors who beat them, humiliate them at the least little thing, and dismiss them when a forced pregnancy test proves to be positive. There are long working hours, low wages, monotonous work, in hot working places, with little possibilities for toilet breaks and limited access to drinking water (in order to restrict toilet breaks), and poor safety conditions. Even in the USA such sweat shops exist, especially in New York City and Los Angeles, where illegal and powerless immigrants are working under poor conditions (blocked emergency exits, sprinkler installations switched off, no fire extinguishers), earning no more than 2$ an hour , making lots of extra hours, and are approached as dehumanized tools (Bakan, 2004, chapter 4). This issue can - analogous to child labor - be criticized by business-to-business buyers and put on the agenda of international trading conditions.

In a more subtle way, a Stage 1 climate for punishment can occur in many 'normal' organizations, for instance, when harassment becomes structural and is tolerated by management, or is carried out by management to such a degree that it has become a part of that organization's culture. In this sense, Kohlbergian orientated moral climate theory offers also an explanatory organization theoretical frame for bullying and mobbing (the minor hell of petty tyranny). Put in Kohlbergian terms, the dominating mode of moral reasoning in a climate for punishment is based on Stage 1 employees' fear for punishment and management's assumption that employees should be punished when possible, necessary or not. When asking for the moral justification of this moral climate type the easily given answer probably runs that it is the only way to keep employees firmly under control and make them do their work properly (based on Theory X notions). Because employees reason and act on a Stage 1 base, they need to be treated so, that is, be punished. Of course, this is only one part of the story and perhaps the least interesting part as well. From a systematic perspective, the issue can be put in circular terms: is punishment necessary because of low worker morality, or does low worker morality emerges due to a climate for punishment? Since most people are functioning at conventional levels of morality, a climate for punishment seldom can be a prerequisite for effective organizing.

- *Punishment in organizations*

Punishment can be described as deliberately inflicting distress and suffering through imposing a variety of repressive, retributive, and preventive negative sanctions and disciplinary measures. These include dismissal, suspension, removal, demotion, cancelling of holidays or facilities, doing unpaid work, fines, paying damages, injunction, ban on contact or on speaking with certain persons, or more subtle and informal sanctions such as a frown, a verbal put-down, or actions akin to bullying and mobbing. In Kazdin's concise definition, punishment is "the presentation of an aversive event or the removal of a positive event following a response which decreases the frequency of that response" (1975, 33-34).

The intended effect of punishment is that the culprit feels remorse, recognizes that he was on the wrong track, and tries to compensate the damage done hoping for pardon by improving conduct. In this vein, punishment consists also of an element of purification. However, remorse is only one of the possible reactions to punishment. Other types of reaction are also possible, including being intent upon revenge or retaliation, looking for smarter ways to go on as before, or blaming someone else. The emotional side effects, including anger and anxiety may lead to either passivity or withdrawal (turnover, absenteeism) or to aggressive acts out of revenge (anticitizenship behaviors, such as, sabotage or aggressive reactions towards the punisher) (Arvey & Ivancevich, 1980, 125, see also, Treviño, 1992, 658; Ball, Treviño & Sims, Jr., 1994). The aim of sanctions and measures should be the appropriate (procedurally just) curbing of injustice, correction of behavior, and specific and general prevention. Sanctions and measures should be delivered immediately, or at least well-scheduled, and be moderate, though proportional (more severe in case of cumulative misbehavior and recidivism), be consistent over time, across employees, and across managers for the same undesirable behavior, and provided with a clear and unambiguous rationale and directions for alternative desirable conduct (Arvey & Ivancevich, 1980, 127, 128, 129; Treviño, 1992, 659-660; Voorendonk, 1988). Collective sanctions - the good suffering with the bad - are absolutely forbidden, and the principle of 'ne bis in idem' must be upheld. The absence of these conditions may contribute to a climate for punishment because of the arbitrariness and perceived unfairness of punishment. This is in line with the conclusion of Treviño (1992, 668) that punishment is not strictly a dyadic event or a learning phenomenon, but also a group-level cognitive and behavioral phenomenon with positive or negative consequences for observers as well as punishment recipients and their punishing supervisors.

Punishment may arouse escape behavior, that is, employees perform to escape punishment, but unfortunately, this usually detracts from rather than facilitates effective job performance, especially when aggressive, emotional, and otherwise dysfunctional behaviors will emerge. Performance in the name of placating a punitive boss will tend to be reluctant, marginal, and relatively short of duration. Punishment also arouses avoidance: employees living under expressed or implied threats work to avoid having the manager carry out the threats. Punitive managers themselves become often so closely associated with the punishment they inflict that their mere presence in the work environment cues or sets the occasion for all sorts of avoidance behavior. As Luthans and Kreitner (1975, 114 ff) put it, escape and avoidance behavior is not typically associated with efficient and highly productive organizational performance. Employees are literally looking over their shoulders for trouble or signs of trouble rather than straight ahead at what must be done in order to get the reinforcing consequences associated with satisfactory performance. No wonder, Luthans and Kreitner make a case against negative control, recognizing nevertheless its popularity. If the punishing behavior has the immediate consequences of terminating the undesired subordinate behavior, it has been negatively reinforced. Consistent with the law of effect, the superior's punitive behavior is strengthened and will increase in subsequent frequency (the addictive aspect of power). Luthans and Kreitner first of all emphasize that punishment does not weaken behavior as effective as positive reinforcement strengthens it. This disparity is due to the possibility, with punishment, of undesirable and unpredictable side effects: sometimes, punishment works, but it does always more than work, mainly because often it is implicit, unnoticed, and unintentional. Every

organization has a 'hidden moral curriculum' that may consist of subtle (dis)approval of behaviors and attitudes. Second, they mention long-run dysfunctional side effects of punishment, including the

- temporary suppression of behavior rather than permanent change based on self-control (making further punitive control necessary in order to exact compliance)
- generalization of negative emotional behavior (including anger, aggression, frustration, regression, fear, withdrawal)
- possibility of behavioral inflexibility (behavior that is viewed as undesirable - creativity, personal initiative, critical stance, taking responsibility - at one moment but highly desirable at another may be permanently repressed by ill-time punishment)
- generalization of aversiveness to the controller of the punishing consequences (in Skinnerian terms: manager as conditioned aversive stimuli, distrusted permanently because of their propensity to punish).

When punishment is institutionalized, with fear for punishment as its dominant feature, we can speak of a climate for punishment, characterized by aggressiveness, defensiveness, distrust, dependence, passivity, and immature, emotional behavior.

Organizations with a climate for punishment can pre-eminently be characterized as repressive systems, especially when it is arbitrary and hence tyrannical. However, this addition may not be that relevant, since 'normal' punishment already may be experienced as tyrannical because of its aforementioned detrimental side effects. Repressive systems can be characterized by considering both its features and its impact. According to Bianchi (1985, 58-70), these systems are characterized as intimidating, inimical, criminalizing and stigmatizing, disruptive (when wrongdoers are removed from their social context, especially in case of dismissal, suspension, removal, or injunction), vertical (sanctioning is directed and controlled from above), frustrating adult human needs (for instance, rational discussion on norms), creating helplessness (insofar as no opportunity is offered for learning and no positive directions for improvement are given), irrational, dysfunctional (while breathing an atmosphere of deterrence and retaliation that can easily affect other parts of the system) and provocative while provoking violation of norms. Repressive systems become a tyrannical Stage 1 organization, when rules are not clear or absurd, are against the law and legal principles, are preserved arbitrarily, that is, without fair trail (no decisive evidence, no listening to both sides), disproportional or arbitrary sentences.

- *Tyranny*

To understand these, what I would like to call "carceral regimes" (Bennink, 2007) properly, an element of tyranny needs to be added. In his *Dictionnaire philosophique portative* of 1764, Voltaire describes a tyrant as a sovereign who knows no others laws than his caprices. In tyrannical relations, the form of interaction is extremely asymmetric. The tyrant can impose his or her will on another, and essentially is lawless. There are no restraints on the superordinates that in any way limit how they manage the behavior of the subordinates. The subordinate can comply, attempt to change the relationship through negotiation or rebellion, depart or withdrawal (Miller, Weiland & Couch, 1978). Since tyrants control the relation, for subordinates it will not be easy to change the relationship. Yet, one of the difficulties of a tyrannical relationship is exactly the need for permanent control and surveillance. For a tyrant of a larger social unit to maintain the

surveillance necessary to acquire information about the compliance, sentiments, and thoughts of the subordinates, it is necessary to use mediators. Hence, one of the tactics for exercising this control is acting through mediators (lieutenants, spies and informants) who act in behalf of the tyrant, but cannot be trusted on their turn and do not trust the tyrant. In the concentration camps, Kapos occupied the awkward lieutenant position, as will be discussed below, a position that often was combined with the role of the spy and the informant.

Subordinates need to be highly responsive to the tyrants and their ongoing activities to avoid punishment. Essential to tyranny is the element of unpredictability. Subordinates who can accurately anticipate the behavior of the tyrant, can to some extent organize their own action, reflect upon it and even gain some power, though, from the perspective of the tyrant, there should be no room for shared standpoints. Therefore, in order to be an effective tyrant, both demands and actions should be inconsistent to keep subordinates alert and present-orientated. Tyrannical relationships tend to destroy all relationships within the social system the tyrant is reigning. The embeddedness in a wide range of trustworthy relationships is source for our personal stability. When this embeddedness is destroyed, personal stability is, too. Erratic and bizarre behavior becomes more common, while atomized individuals are not particularly predictable or reliable (Miller, Weiland & Couch, 1978, 278-279).

The maintenance of tyranny requires constant suspicion among the subordinates; they must not be allowed to develop mutual trust. The presence of and the belief in the presence of spies and informant operate to inhibit the development of trust among subordinates. Without surveillance and the suspicion thereby generated, subordinates could easily become aware of their common sentiments toward the tyrant. If they could trust each other, they might well develop solidarity and concerted action to alter the form of the relationship between themselves and the tyrant.

- *Petty tyranny, mobbing and bullying*

Ashforth (1994) gives an extensive account of what he calls 'petty tyranny', while describing managerial petty tyranny in behavioral terms, proposing a set of antecedents of petty tyranny in organizations, proposing a set of effects that tyrannical management has upon subordinates, and identifying the etiology of ineffective leadership. Recurring elements of petty tyranny include close supervision, distrust and suspicion, cold and impersonal relations, playing favorites, severe and public criticism of others' character and behavior, condescending and patronizing behavior, emotional outbursts, coercion, and boastful behavior. A petty tyrant is an individual who emphasizes authority and status differences, is rigid and inflexible, makes arbitrary decisions, takes credit for the efforts of others and blames them for mistakes, fails to consult with others or keep them informed, discourages informal interaction among subordinates, obstructs their development, and deters initiative and dissent. There is a tendency to overcontrol others and to treat them in an arbitrary, uncaring, and punitive manner. Ashforth has added the qualifier 'petty' to underscore the theme of arbitrariness and small-mindedness that emerges from the description represented above, and proposes to capture petty tyranny parsimoniously by six dimensions: (1) arbitrariness and self-aggrandizement, (2) belittling subordinates, (3) lack of consideration, (4) a forcing style of conflict resolution, (5) discouraging initiative, and (6) non-contingent punishing.

Ashforth's contribution was published just before mobbing and bullying became a big issue,

through the work of, among others, Leyman (1990; 1996), Einarsen (1996), and Zapf (1999, see also Thomas, 1993; Walther, 1993). Mobbing and bullying include more than tyrannical leadership behavior. The harassing behavior of others (co-workers) is also part of the picture. Workplace bullying or mobbing can be defined as a situation in which one or more individuals are subjected to persistent and repetitive negative acts by one or more co-workers, superiors or subordinates, and the person feels unable to defend him/herself (Vartia-Väänänen, 2003; Zapf, 1999). Various kinds of negative behavior are involved, classified into five categories: manipulating the victim's performance of work tasks, the victim's communication with co-workers, the victim's reputation, the victim's social life, and psychical assaults or the threat of physical violence. It should be noted that many victims consider organizational intimidation through dehumanizing procedures much more threatening than interpersonal forms of bullying, though organizational intimidation gets not as much attention as interpersonal harassment.

- *Antecedents and consequences*

What causes a Stage 1 climate for punishment? Of course, it can be emerge because of low levels of morality making close supervision necessary. However, it might be interesting to consider a climate for punishment from an integral perspective by asking what environmental, technological strategic, structural, and cultural factors tribute to the rise and continued existence of a climate for punishment. In short, explanations for the occurrence of a climate for punishment can be found when referring to organizational environment ('processes of dehumanization throughout society', 'fierce or even hostile competition'), organizational strategy ('cost reduction'), organizational structure ('poor task significance, low skill variety, no autonomy, poor task identity'), and organizational culture ('power culture', 'focus on targets', 'instrumental use of employees', 'distrust') (**HE2b; HS1; HOC1**). Concerning the production concept, it can be expected that organizations with an assembly line way of producing involving poor quality of labor (including few responsibilities) tend to a low moral climate, possibly a Stage 1 climate for punishment climate (**HPR1**). A Stage 1 climate for punishment will not evoke intrinsic work motivation, while especially the elements of capriciousness and tyranny arouse compliance out of fear. Since for-profit organizations are most effective with a Stage 3/4 company climate, they may lose their legitimacy with a moral climate reflecting a Stage 1 climate for punishment (**HEP1b**). Consequences are poor job satisfaction, low commitment, low level of psychological well-being (up to post traumatic stress disorders after severe mobbing or bullying, see below), high levels of absenteeism (except in those cases where do not dare to be absent because they might lose their job), and high turnover rates (or at least, turnover intentions when people cannot find employment elsewhere) (**HPE3**). People can resign and find another job, but in order to do so, other more attractive jobs must be available, as Vroom's (1964) expectancy theory tries to explain. The miners George Orwell (1937) described so aptly in *The Road to Wigan Pier* simply had no other choice than working as a miner under bad labor conditions or spending their days in unemployment.

Trust will be extremely low, up to paranoia or extreme hostility, and strong feelings of being unsafe (**HT1**). Furthermore, low levels of learning will occur (while learning is aimed at surviving or at least, avoiding punishment), leading to general indifference among the work force. A Stage 1 climate for punishment fosters zero learning or single-loop learning while preventing double-

loop and triple-loop learning, whereas building a shared vision is no option in a Stage 1 climate for punishment (**HL1; HL4**).
Conflict resolution (especially concerning conflicts in the interests sphere and the socio-emotional sphere) will be characterized by either forcing, or by submitting or avoiding when there are no perspectives on good results. Conflicts in the socio-emotional sphere will be resolved by forcing when revenge is a dominating theme in interpersonal interaction (**HCR1**).
All sorts of unethical behavior will occur (notably, concerning production deviance, property deviance, and personal aggression), since nobody seems to care about product quality and consumer relations (except in those cases where staff is forced to do so, that is, cares out of fear, not out of genuine concern) (**HUB1**).

- *Environment concept and strategy concept*

Fierce competition in a hostile environment in which the viability of the organization is at stake, may lead to the translation of external tensions into a rigid regime (**HE2b**). Under permanent stress, decision-making tends to become more centralized, hasty, and arbitrary. The involuntary participation of large groups of reluctant 'employees' may require a climate for punishment as a means to make them work. An example is the incorporation of large amounts of young men in case of compulsory military service. In this type of total institutions, a climate for punishment is likely to occur. An environmental factor that can help preserving a climate for punishment is the lack of substitute employment (as exemplified in *The Road to Wigan Pier*). When employees have the possibility to go elsewhere and run away, a climate of punishment will soon disappear and be replaced by an exchange climate in which workers can negotiate about working conditions and relations.
A strategic factor than can be associated with a climate for punishment is the grim dealing with an extremely hostile environment and fierce competition by means of a extreme strategy of cost reduction and employee exploitation, sharp surveillance and punishment whenever targets are not met, as, for instance, is the case in many sweat shops (**HS1**). In the Netherlands, the files of Aldi and Kruidvat (both price cutters with poor working conditions) employees constitute a substantial dossier in Labor Union offices, while many call-centers are close to a being a carceral regime.
A climate for punishment can also occur in those organizations with a strategy that demands maximum effort (unrealistic targets and demands, heavy workload) but in which the employees involved to do not especially have a positive commitment to the organization, for instance military situations with a superior enemy and low morale among troops.

- *Production concept, organization concept (structure, culture, administrative processes) and personnel concept*

A climate for punishment may possibly occur in pioneer organizations with a simple structure and a demanding owner-director, because many entrepreneurs are susceptible to a strong need for independence and control, distrust of others, and a desire for applause (**HOS1**). These characteristics may induce an entrepreneur to meddle with minute operating details, question the actions and motives of subordinates, hoard information, set others up as scapegoats and so on.
Moreover, given the fact that organizations frequently institutionalize the values and norms of

the founder, these tendencies may eventually give way to an institutionalized tyranny outliving the entrepreneur (Ashforth, 1994, 761-762).
A climate for punishment will also occur in machine bureaucracies that either have not been formalized largely, or tend to become over formalized. Machine bureaucracies emphasize compliance with centralized decisions and standardized and formalized operating tasks. Jobs are characterized by poor task significance, low skill variety, no autonomy, and poor task identity (Hackman & Oldham, 1975, 159-170) (**HPR1**). In these organizations, managers are typically reinforced for exhibiting close, rule-minded supervision. HRM policy will be aiming at control of labor and will not score points at 'respect for human dignity'. The greater the propensity for the Michigan Model of HR, the bigger the chance that there is a Stage 1 climate for punishment (in case of fierce competition and a cost reduction strategy). Furthermore, there are few or no opportunities to exercise control from below, whereas personnel care will be absent (**HP1; HP3a**).
In uniformed organizations with a tight authority structure (army, police, hospitals, prisons, fire brigades) there may be temptations and opportunities for a climate for punishment (as was found in some units of the Dutch army early 2010). However, in any organization, even in professional bureaucracies, there can be departments or units with a Stage 1 climate for punishment, especially when mobbing or bullying is a common practice. A 'fine' example is described by the Danish author Christian Jungersen in his novel *Undtagelsen* ('The Exception') in which four women work at the Danish Centre for Genocide Information are threatened by a war criminal. As the tension among the women builds, they begin to turn on each other and discover that no one is exactly the person she seems to be. The office becomes a battlefield in which every move is subject to suspicion. An obsession with tracking down the war criminal turns into a witch-hunt as the women become bullying and victimization each other. Yet they are people who daily analyze cases of appalling cruelty on a worldwide scale, and who are intimate with crimes against humanity and the psychology of evil.

- *Leadership, individual cognitive moral development and (moral) unhappiness*

A climate of punishment occurs whenever it is believed - by both superiors and subordinates - that milder forms of exercising influence will not suffice. However, in doing so power tends to become an end in itself, used increasingly for personal rather than organizational purposes. No wonder that an autocratic, directing or coercive leadership style goes together with a Stage 1 climate for punishment, and that the impact of leadership as a mediating power factor is largest in a Stage 1 climate for punishment (**HLS1; HLS3**). Furthermore, power holders develop an exalted sense of self-worth while at the same time devaluating the worth of others. Leaders performing pre-conventional moral reasoning will tend to shift organizational moral climate towards pre-conventional moral reasoning (**HLS4**).
In organizations with a carceral regime and a climate for punishment, there will be little openness for sincere communication between management and employees. Communication will be top down and consisting of directive instructions and orders, sometimes of the impulsive kind. Leadership style can be characterized in terms of 'management by barking around'. Bottom up communication will be rare, and any form of participative communication will be absent. Subordinates will avoid conflicts with superiors as much as possible because they know superiors

will suppressed harshly, though when employees have nothing to lose, sabotage, resistance and overt rebellion may occur ending up in a take-over or undirected violence. Tensions will also be worked off on the weak and the vulnerable through mobbing and bullying.
There will no invitation for feedback, and when given to management unasked for it will not be accepted or rejected for being unjustified concerning its contents, its process, or its very fact. From the perspective of the 'learning organization' there will be little learning at all, except through the unintentional learning processes of the hidden curriculum that teaches to obey and be aware of both the whims of management and colleagues (**HL1**). There will be little tolerance for the dissentient, little if any mutual trust and certainly no feelings of safety (**HT1**). Rivalry and envy may occur, in any organization, but especially in uniformed organizations with very high output standards. Organizations with a climate for punishment can be described in terms of a *paranoid* organization[121] in which suspicion and persecution are the essential theme in human relations: in both vertical and horizontal labor relations, inimical feelings will dominate. Especially when management is suspicious while considering their subordinates as layabouts, impostors, fiddlers, or as a potential threat, a dysfunctional and organizational culture will arise and continue to exist. The essential features are a huge amount of means of control (including close supervision, permanent surveillance, many rules, and harsh punishment), and more than often intimidation and psychological and even physical violence. Control everywhere is both possible and necessary since people participate in the organization based on being threatened with sanctions.
When things turn wrong, managers try to get away with it and pass the buck to someone else, almost always their subordinates. This kind of culture destroys all initiative and creativity, and even loyalty (for being explained wrongly out of distrust). It means an attack on the self-esteem of employees, who from their part will put much energy in self-protection, for instance by escape behavior (making themselves 'invisible') or by downright sabotage.
The role of middle management is far from enviable. Necessarily, they have a pacification function in keeping the organization going, since too much terror and tyranny means asking for resistance and rebellion. For employees, a middle management position sometimes is the only way to survive and make a better living, though exactly this may appeal to their psychopathic potential (Bennink, 2005; 2007).
Distrust will also occur between units or departments. There is no exchange of information; mutual problems are not explored, let alone that they will be tackled. Problems of coordination will arise, and subsequently loss of productivity and quality, but this, of course, is always someone else's fault. Suspicion can also be projected on external factors, such as government making new regulations over and over again that hamper effective industriousness.
Organizations with a climate for punishment are characterized by low morality. This means that regular issues of business ethics will seldom be recognized because they fall outside the moral horizon of the organization and (most of) its members. These issues will be discarded as problems of control. In fact, these organizations constitute one big business ethics problem and have an enormous psychological impact on their employees.
Since many people have a moral competence of the conventional level (Stage 3, Stage 3/4, or Stage 4), or the post-conventional level (Stage 5), they will experience great difficulties when working in an organization with a Stage 1 climate for punishment. If possible, they will leave, if

not, they will stay, comply and try to make the best out of it. More specifically, when faced with a Stage 1 climate for punishment, individuals with a Stage 3 moral competence will tend to regress and adapt their moral performance to the extant moral climate (**HMD1a; HMD4; HMD6**). Occasionally, conventionals will form cliques, with a Stage 3 inclusion morality fostering the interests of the clique, by either enforcing privileges or negotiating with management, thus introducing elements of a Stage 2 exchange climate. However, resistance supposes a basic amount of solidarity and mutual trust among employees, and exactly this is the essential barrier to improvement of working conditions and working relations. The ever-present possibility of being betrayed by spies and tattlers asks for keeping upon one's guard constantly. However, in a climate for punishment, for the most part, those in charge try to control employees primarily by frightening them arbitrary and capricious exertion of power ('uncertain regularity'). Discipline, compliance, and obedience are not the correct terms when there are no specific rules to comply with, and even if there, people cannot be sure that these rules are upheld on a fair base. Apart from (moral) unhappiness as a short-term reaction to the conditions of a Stage 1 climate for punishment, long-term impact because of being exposed to a carceral regime during a longer period of time needs consideration. It is tempting to compare a Stage 1 climate for punishment with total institutions. In the first place, there are real differences between total institutions and 'normal' organizations with carceral regimes, more in particular because of the formal opportunity of leaving the organization (to go home, go for a holiday break, and even to attend union meetings), whereas total institutions lack this permission. Therefore, the time perspective may be different, too. In describing total institutions, Goffman (1961) identified processes disculturation and mortification. Disculturation means 'detraining' as a result of which people cannot deal with certain aspects in daily life in the outside world anymore. When people enter a total institution and stay inside long enough, their ego becomes systematically nullified through a process of mortification. Procedures of entrance - instruction in rules of all kinds, getting a personal number, getting industrial clothing or a uniform - mark the transition and the start of socialization. Mortification takes also place through intensive surveillance, close supervision and the permanent threat of punishment. Despotic control and the destruction of autonomy (the obligation to ask for permission for almost everything) are important aims in carceral regimes and are aspects of the totalitarian mind, described by George Orwell in his 'Big Brother' novel *1984* (1949, 210):

> "We are not content with negative obedience, nor even with the most abject submission. When finally you surrender to us, it must be of your own free will. We do not destroy the heretic because he resists us; so long as he resists us we never destroy him. We convert him, we capture his inner mind, we reshape him. We burn all evil and all illusion out of him; we bring him over to our side, not in appearance, but genuinely, heart and soul."

Psychological and moral regression as well as the experience of degradation and personal insignificance is important features of the process of mortification, necessary to deal with the immense fear of trespassing rules, as was made very clear by Robert Jackall. In his gloomy, yet not unrealistic view on organizations, he cites a former Vice-President of a large company saying 'What is right in the corporation is what the guy above you wants from you'. The hierarchical authority structure central to any bureaucracy comes to dominate the way managers think about their world and about themselves. Jackall (1984; 1988) presents a grim algorithm for employees

and their managers to survive in organizations with a tendency to tyranny and wickedness:

Never go around your boss.
Tell your boss what he wants to hear.
If your boss wants something dropped, you drop it.
You are sensitive to your boss's wishes so that you anticipate what he wants; you don't force him to act as your boss.
Your job is not to report something that your boss doesn't want reported, but rather to cover it up. You do what your job requires and keep your mouth shut.

There are several possible courses of action to deal with mortification in order to survive psychologically and morally. Goffman mentions systems of privilege, in which rewards, facilities and privileges (such as exemption from awful work) can be earned for being subservient. The other side of this system of privileges is that they can become a new source for punishment, when rewards are withheld, facilities cancelled, or privileges revoked. Having to do awful work again can be experienced as punishment. Other courses of action include aiming at immunization through withdrawal (making oneself invisible) and daydreaming (of a better life), rebellion, open or subtle sabotage, if possible, leaving the organization, and negotiation (as an attempt to introduce and practice a Stage 2 element into the organization. When leaving the organization is no option, adjustment still is, possibly leading some form of 'prisonization' (characterized by harshness and manipulative relations).

In 'normal' organizations, this process of mortification can be resisted because people stay at home overnight, in the weekends and during holidays and lead a normal life (an important reason why organizations with carceral regimes are by no means total institutions). However, due to splitting in identity, roles and worlds, described by Habermas (1987) in his system/life world model, during working hours people can get mortified in their role as employee. Despite the splitting of personal identity (me at home versus me at work), the distinction is never absolute. Put in the terminology of Habermas, it can be said that the system world colonizes the life world. Deetz (1992) also describes the civil effects of organizational life. Corporate organizations serve as a polity. That is, in modern societies they make most public decisions on the use of resources, the development of technologies, the products available and the working relations among people. In fact, he argues, in many countries the corporate sector makes more public decisions than its governmental counterparts do. These decisions also affect both the construction and destruction of personal identity. The corporation is easily overlooked as an important site of public decision-making. As Deetz puts it, the very notions of free contact, social relations and agency as well as personal identity as a manager, secretary or worker are corporate productions and reproductions. This is also the case in organizations with a Stage 1 climate for punishment and carceral regimes. Understanding corporations as political entities in relation to a democratic society calls for studies investigating the significance of the exercise of power and control within corporations. In this vein, surveillance and punishment are more than organizational practices. Ideological ideas about social relations (in terms of domination and submission) are imposed and transferred as well. Carceral regimes go home with employees, thus colonizing the life world and the social relations within families and elsewhere. In a democratic society, organizations with carceral regimes should be considered as an atavism to be expelled as soon as possible, not only for their own sake, but also for society at large, since they represent a

wrong type of hegemony.

Some authors on concentration and mass destruction camps are more determined in describing the stages in the process of imprisonment, based on their own observations and experiences. These stage models may function as heuristic devices for other, less life-threatening Stage 1 carceral contexts, though the similarity between these situations are not as large their differences are, more in particular considering the permanent threat of being beaten or even murdered. Therefore, these comparisons should be made with great care, if at all (Bennink, 2007). Cohen (1953) suggests three stages in camp life: initial reaction, adaptation, and resignation. In a similar vein, Bettelheim (1943) suggests four stages: (1) initial shock, (2) transportation into the camp and the first experiences in it, (3) adaptation to the camp situation, and (4) final adjustment to the life in the camp. Because of the extremity of camp life, these stages will not be found in the same way in 'normal' organizations with carceral regimes, though there may be underlying similarities (Bennink, 2007). The mobbing and bullying literature provides us with more appropriate stage models describing 'the career' of the victim, for instance:

1. The victim manages to cope with the situation, stop the mobbing activities or escapes and get rehabilitated.
2. The victim does neither manage to cope or to escape and develops physical and psychic symptoms (headaches, high blood pressure, digestive disorders, musculoskeletal complaints, concentration problems, frustration, nightmares, drugs and alcohol abuse, low self esteem, helplessness).
3. The victim is not capable of reintegrating and rehabilitation is impossible because of the physical and psychic consequences (diseases of the heart, stomach, intestines, burnout, suicide).

The literature mentions many physical and psychic reactions to carceral regimes and its manifestation in mobbing and bullying, including frustration and aggression (hidden and openly), denial and repression of reality, projection of feelings of discomfort upon others, withdrawal and introversion, erosion of 'social self' and moral regression, flight into fantasy, suspicion, constriction, apathy and depersonalization, and rebellion.

A Stage 1 climate for punishment and its tyrannical features has also social consequences on shop floor level, when inhibiting the possibility for people to develop solidarity, commitment, concern, and cohesiveness, understanding and tolerance. Hence, there even is a condition for anarchy when control does not work anymore. As Miller, Weiland and Couch (1978, 283) put it, by atomizing and diverting individuals and generating a primary concern with self and self-preservation, tyrannical interaction and enduring tyrannical relationships create a context of violent individual acts in a spiraling effect when more tyranny is needed to control people's behavior. The more tyrannical the relationships, the more anarchistic acts may be generated. This makes tyrannical systems inherently weak and make tyrants creates systems of surveillance and surround themselves quickly with guards, though they all know that each member of these guards will probably be available to the highest bidder.

Apart from these immediate effects on individuals and work relations, there may some after-effects. As early as 1943, Bondy (1943, 475) suggested to investigate the after-effects of being captured in internment camps:

> "As far as I know, not much is known about this subject. We do not know how deeply the stay in a concentration camp or in other camps influences the whole character structure, how long it takes to

overcome the difficulties, and what methods of treatment can be used".

Meanwhile we know what happened. Time does not heal all wounds. Many survivors of the camps had to deal with severe psychic trauma's causing regression, 'survivor guilt' and recurring periods of overly vigilance and anxiety (Brainin & Teicher, 1999). In the last twenty years, the label post-traumatic stress disorder has been introduced to cover a wide range of symptoms caused by traumas of all kinds. To arrive at a more specific diagnosis of long term traumatizing episodes and to differentiate from acute post-traumatic stress, Herman (1994, 120-121) introduced the terminology of the so-called complex post-traumatic stress disorder (also called 'disorder of extreme stress not otherwise specified'). With regard to the long-term effects, victims of organizations or departments with a climate for punishment (subjected to tyranny and terror, including systematic bullying and mobbing) may also show symptoms of the complex post-traumatic stress disorder. Although modern organizations with carceral regimes do not resemble the industrial murder practices of the Third Reich or the Russian labor camps in essential respects, the symptoms of the disorder may found to be present with victims of all these terrible situations, though perhaps not in the same degree of intensity. To do more justice to different categories of victims and their traumatizing situations, the diagnostic instrument may be in need of further refinement[122].

In sum, in modern Western organizations, a Stage 1 climate for punishment may not occur in its pure form. Yet, many organizations show carceral tendencies that may become emergent in times of trouble.

2. *The Stage 2 exchange climate: characteristics, antecedents, and impact*

Essential to a Stage 2 exchange climate is a permanent state of negotiation from the perspective of "one good turn deserves another". The hostility typical to a Stage 1 climate for punishment has been channeled into a Stage 2 exchange climate "non-aggression pact". Conflicts are resolved not be forcing or avoiding, but by looking for and reaching compromises that are both advantageous and practicable with little attention for good relations with negotiation partners (**HCR2**). A feature of a Stage 2 exchange climate is a large degree of financial and psychological corruption. People take bribes (money, privileges, favors, support) for selfish reasons heedless of the interests of the organization and the variety of stakeholders within and outside. Vertical symbolic cliques may tend to a Stage 2 exchange climate within their own group that may be at odds with the moral climate of other formal and informal parts of the organization.

By definition, a Stage 2 exchange climate has a very limited moral horizon (individuals and their negotiation partners), with people lacking commitment to the team, the organization and general public interests. There is no internal relation with the law and other nationwide regulations (such as collective labor agreements), though juridical arguments may be used when they are thought to be convenient.

It cannot be specified from the outset, which type of environment evokes a Stage 2 exchange climate. However, the more unfriendly or even fierce or hostile competition is, the bigger the chance that an organization has a Stage 2 exchange climate, because of its tendency to centralize its structure (temporarily) and cutting costs (**HE2b**). Cost reduction strategies have a tendency to evoke lower stages moral climate (a Stage 2 exchange climate or even a Stage 1 climate for punishment) because they tend to consider personnel as puppets rather than people (**HS1**).

Furthermore, when a stable environment with simple questions is translated into a machine bureaucracy with simple routine jobs in which people are reduced to puppets taken as a continuation of machines (with poor quality of labor, including few responsibilities), neither experiencing commitment from the organization nor being committed with the organization, a Stage 2 exchange climate may occur. The more standardized the production or service delivery, the lower the moral climate (**HPR2**). Machine bureaucracies with a compartmentalized, narrow, repetitive, meaningless task structure tend to a Stage 2 exchange climate since, by their very nature, machine bureaucracies tend discourage interdependence and accountability while fostering conflicts, essentially between organizational efficiency and individual satisfaction. This will especially be so, when the organization embraces a cost-reduction strategy (**HOS2a**). When there is nothing to gain concerning the contents of the job (for instance, autonomy or development of competences), negotiation behavior will be directed at extrinsic labor factors (wages, working hours, favors). A Stage 2 exchange climate may go together with several organizational configurations, for instance a simple structure or machine bureaucracies with a role culture and having no formal procedures for conflict regulation. Finally, innovative strategies go together with a Stage 2 exchange climate in those cases where the organization is considered as a means for developing own innovative competencies of employees or when professionals are out for themselves (for instance, medical specialists), thus moderating Stage 2 exchange climate (**HS3a; HPR6**).

A power culture may go together with a Stage 2 exchange climate, for instance, when labor conditions are negotiable (**HOC1**). In general, a Stage 2 exchange climate will go together with a role culture with a narrow role set (**HOC2**). The greater the propensity for the Michigan Model of HR, the bigger the chance that there is lower stage moral climate, notably a Stage 2 exchange climate (or even a Stage 1 climate for punishment), in line with a cost reduction strategy and little or no personnel care (except where this is the outcome of negotiations) (**HP1; HP3a**).

Concerning leadership, a transactional leadership style goes together with a Stage 2 exchange climate, whereas the impact of leadership as a mediating power factor is great in a Stage 2 exchange climate (though largest in a Stage 1 climate for punishment) (**HLS2; HLS3**). In general, leaders performing Stage 2 moral reasoning will tend to shift organizational moral climate towards Stage 2 moral reasoning thus mediating a Stage 2 exchange climate (**HSL4**). An essential means on influencing work force is the use of all kinds of incentives. When faced with a Stage 2 exchange moral climate type, individuals with a Stage 3 moral competence will tend to regress and adapt their moral performance to the extant moral climate (**HMD4**). When faced with a Stage 2 exchange climate, individuals with a Stage 4 or 5 moral competence will tend to leave the organization (provided that there opportunities to leave the organization) (**HMD6**). A change in strategy appealing to lower levels of moral development (for instance, a cost reduction strategy), will force people with Stage 3 moral competence to adapt to the lower stage moral climate (**HMD4**), while decreasing job satisfaction when moral climate is regressing toward a Stage 2 exchange climate. Furthermore, in those case, it will increase moral conflict among people with conventional of post-conventional moral competence, arouse frustration and increase turnover (intentions) (**HMD6**).

For-profit organizations may lose their legitimacy with a moral climate reflecting lower stages of moral development (notably a Stage 2 exchange climate, or even worse, a Stage 1 climate for

punishment) (**HEP1b**). Commitment, psychological well-being and job satisfaction will be low in a Stage 2 exchange climate, whereas absenteeism rates and turnover intentions and rates tend to be high (**HPE3**).
Openness for communication will be low. Self-disclosure can be risky, personal information can possibly be used against you, or lead to loosing face. By contrast, withholding functional information for tactical reasons may increase your personal power (**HT1; HT2**). The levels of trust will be low; people will meet each other with the proper suspicion characterizing skilled negotiators. Feelings of safety and security will be low but increasing according the strength of the bases of power (**HT5**). In a Stage 2 exchange climate, conflicts of interests will occur widely and be resolved by negotiation (seeking compromises) with relatively little attention for good relations with negotiation partners (**HCR2**). An admirable ethical virtue is honesty in exchanging (based on a primitive notion of fairness: making an equal exchange), whereas instrumental virtues such as tact and persistence will be commonly cultivated.
Unethical behavior will occur because of general selfishness (as was demonstrated in the Victor and Cullen based surveys considering instrumental climates), more in particular concerning production deviance, property deviance, and personal aggression (**HUB1**).
There will be little opportunities for learning, apart from learning to negotiate. A Stage 2 climate fosters zero learning or single-loop learning while preventing double-loop and triple-loop learning. Building a shared vision is no option in a Stage 2 exchange climate (**HL1; HL2; HL4**).
The development from a Stage 2 exchange climate to conventional moral climate stages involves double-loop learning. In general, the transition to a Stage 3 inclusion climate or beyond asks for leaders offering conventional guidance (using a transference model) and accompanying exemplary behavior.
An essential hazard of a Stage 2 exchange climate is the failure of negotiation. In those cases, regression to a Stage 1 climate for punishment becomes possible. Continuous negotiation is time consuming and may lead to stagnation of effectiveness and decreasing motivation and commitment (already being low). This may tempt rulers to either establish a Stage 1 climate for punishment, or establish a Stage 3 inclusion, or maybe a Stage 3/4 company climate with formalized rules, group norms, and team spirit.

II. The conventional moral climate types

The pre-conventional moral climate types are characterized by a consequentialist style of moral reasoning, whereas the post-conventional moral climate types show an integrated combination of consequentialist, deontological, aretaic, and axiological moral reasoning.
Contrary to Kohlberg's hierarchical typology of stages of moral reasoning, conventional moral climates do not reflect deontological moral reasoning solely. Instead, due to a process of branching, conventional moral reasoning may be preferably deontological, consequentialist, aretaic, or axiological, referring to local rules, local interests, local virtues, and local values, respectively. In addition, the organizational level is introduced as a separate referent of moral reasoning, conceptualized as an in-between stage, Stage 3/4. The conventional climates were labeled Stage 3 inclusion climate, Stage 3/4 company climate, and Stage 4 community climate, each distinguished according to the style of moral reasoning that is dominant in relation its referent, the group (team, unit, department), the organization, or society at large. With regard to

the Stage 3 inclusion, a further distinction was made in terms of formal groups and informal cliques.

- *The Stage 3 inclusion climate: characteristics, antecedents, and impact*

As has been argued in chapter 4, the Stage 3 inclusion climate occurs in great variety, depending on size and the type of reference group (formal or informal) and the type of moral justification that is used. Because of the many possible moral (sub) climates on the conventional level, a detailed coding was proposed, represented below:

ethical criterion → moral horizon ↓	deontological	teleological	axiological	Virtues
formal groups:				
team	Stage 3 FTD	Stage 3 FTT	Stage 3 FTA	Stage 3 FTV
unit	Stage 3 FUD	Stage 3 FUT	Stage 3 FUA	Stage 3 FUV
department	Stage 3 FDD	Stage 3 FDT	Stage 3 FDA	Stage 3 FDV
entire organization	Stage 3 FED	Stage 3 FET	Stage 3 FEA	Stage 3 FEV
informal cliques:				
vertical symbiotic	Stage 3 IVSD	Stage 3 IVST	Stage 3 IVSA	Stage 3 IVSV
vertical parasitic	Stage 3 IVPD	Stage 3 IVPT	Stage 3 IVPA	Stage 3 IVPV
horizontal defensive	Stage 3 IHDD	Stage 3 IHDT	Stage 3 IHDA	Stage 3 IHDV
horizontal aggressive	Stage 3 IHAD	Stage 3 IHAT	Stage 3 IHAA	Stage 3 IHAV
random	Stage 3 IRAD	Stage 3 IRAT	Stage 3 IRAA	Stage 3 IRAV

As was noted in chapter 4, this complex distinction may seem somewhat overdone, though it may serve research purposes well (for instance, comparing the moral climate of formal groups to the moral climate of informal cliques). The entire collection of informal cliques can be left out when it is considered less important. In doing so, the formal groups can be taken together as the group level with an adapted coding, indicated as Stage 3D, Stage 3T, Stage 3A, and Stage 3V, respectively.

The very essence of a Stage 3 inclusion climate is the "members only" team or group spirit in which even formal groups much look like informal cliques in many respects. Justifications may be given with reference to rules, values, effects and interests, or virtues. In fact, the Stage 2 exchange climate has been developed into a climate type in which antitheses are smoothed down to an orientation on a pleasant working atmosphere ("let's keep things nice"). Despite the orientation on (possibly informal) moral rules, the relation with the law is still diffuse and externally for the greater part. The interests of external stakeholders will be taken into consideration, not out of genuine concern, but because they are formulated as group norms. A Stage 3 inclusion climate may occur in small organizations with calm environments with friendly or no competition at all, so that groups in the organization can afford themselves the tendency to be unproductive and inefficient, yet enjoyable and pleasant (**HE4a**). However, fast changes in the environment can also evoke a Stage 3 inclusion climate with a team spirit, in order to cope with the change and getting things down, as in Tracy Kidder's industrial novel *The Soul of New Machine* (Kidder, 1981).

A Stage 3 inclusion climate will go together with either a strategic orientation focusing on

stability and reduction of uncertainty, or with team-based organizations in which teams or units create their own reality based on a joint internal or external enemy, either real or imagined. Innovative strategies go together with a Stage 3 inclusion climate when the team of innovators itself is its primary point of reference (**HS3b**).A Stage 3 inclusion climate will occur within a variety of organizations, though most of all in machine bureaucracies or departments in which the contents of the job matter not as much as the working relations will. Notorious are office departments outside the operational core of the organization, featuring characteristic though feeble humor (exemplified in the BBC series *The Office* or in that part of the Dutch series *Jiskefe*t called *Debiteuren Crediteuren*). Organizations consisting of self-controlling teams or units operating loosely from the other parts of the organization, will exhibit a Stage 3 inclusion climate including the accompanying phenomenon of "group think". Within units and teams, no large differences concerning interests or visions may exist, at least no differences too contrasting to smooth down. As was noted before, a Stage 3 inclusion climate can also go together with informal cliques, with their own team spirit, rules, customs, conversational topics, type of humor, and even use of language.

Stage 3 horizontal or defensive cliques may emerge in an overall Stage 1 climate for punishment or Stage 2 exchange climate while attempting to foster their interests.

Concerning concept of production, it can be expected that the larger the individual capacity for steering, regulating, and improvising, the bigger the chance that there is a high moral climate. This means that it can be hypothesized that the more sophisticated (difficult to understand) the technical system, the more elaborate the non-operating structure – specifically, the larger and more professional the support staff, the greater the selective decentralization (to that staff), the greater the chance that formal and informal self-serving Stage 3 inclusion subclimates will emerge (**HPR3; HPR4**).

A Stage 3 inclusion climate can be found in simple structures (**HOS1**). In case of less narrow tasks and sufficient personnel care, machine bureaucracies tend to a Stage 3 inclusion climate (or to a Stage 3/4 company climate, if mutual commitment between organization and employees is high) (**HOS2b**). Although there is no preferred moral climate type for adhocracies, other than the moral climate reflecting their tasks and assignments best, because of their organic structure and their relatively small size, adhocracies tend to a coinciding Stage 3 inclusion climate and Stage 3/4 company climate. However, in larger organizations, adhocracies will tend to a Stage 3 inclusion climate at the expense of the targets of the organization through lack of efficiency (**HOS4**).

A role culture with wider role sets goes together with a Stage 3 inclusion climate. A task culture goes together with a Stage 3 inclusion climate when the interests of the team have legitimate priority and group cohesion is high (**HOC2; HOC3a**).

There is no clear empirical relation between concepts of personnel (HR policy) and a Stage 3 inclusion climate. Nevertheless, it can be hypothesized that the greater the propensity for the Michigan Model of HR, the bigger the chance that there is lower stage moral climate. Reversely, it can be expected that the greater the propensity for the Harvard Model of HR, the bigger the chance that there is a higher stage moral climate, with a binding role for personnel care (**HP1; HP2; HP3b**).

Concerning leadership, a Stage 3 inclusion climate goes together with a selling (guiding)

leadership style (**HLS5**). The impact of appropriate exemplary leadership behavior (guidance) is the largest in conventional moral climate types (Stage 3, 3/4, en 4) (good leadership breeds good followers; bad leadership breeds even better ones) (**HLS7**).
Concerning stage of individual cognitive moral development, individuals with a pre-conventional moral competence will tend to affect Stage 3 moral climate negatively by decreasing the level of trust. Speaking more generally, social situations asking for Stage+2 moral reasoning (Stage 3 inclusion climate), may evoke uncertainty because of moral demands being too high when compared to the actual stage of moral development (Stage 1). Furthermore, it is difficult to develop adult individuals with a pre-conventional moral competence to conventional stages because moral argumentation patterns are fixed over the years.
When N is the stage of moral development of an employee (Stage 3), social situations demanding no more than Stage N-1 or even Stage N-2 (Stage 1 climate for punishment or Stage exchange climate) probably will arouse frustration and dissatisfaction (moral unhappiness). When faced with a pre-conventional stage moral climate type (Stage 1 climate for punishment or Stage 2 exchange climate), individuals with a Stage 3 moral competence will tend to regress and adapt their moral performance to the extant moral climate, at the expense of job satisfaction and increasing turnover intentions. When faced with a higher conventional moral climate type, individuals with a Stage 3 moral competence will tend to develop their moral competence to the level of that particular stage. When faced with a Stage 3 inclusion climate, individuals with a Stage 4 or 5 moral competence will either tend to influence the moral climate in an upward direction through either clarification or convincing or leave the organization (provided that there are opportunities to leave the organization) (**HMD1a; HMD1b; HMD2; HMD3; HMD4; HMD5; HMD6; HMD7)**.
Concerning effectiveness, a Stage 3 inclusion climate is a limiting case when it comes down to morally legitimizing for-profit organizations (**HEP1b**). Governmental organizations, not-for-profit organizations and nongovernmental organizations lose their legitimacy with a Stage 3 inclusion climate (**HEP2b; HEP3b; HEP4b**).
No definitive conclusions can be drawn with regard to the psychosocial effectiveness of a Stage 3 inclusion climate. Work-force participation in decision-making may not be a decisive factor for job satisfaction. Job satisfaction will rather correspond to the level of group cohesion, whereas commitment will be dedicated to the group instead of the organization. When working conditions are pleasant, degrees of absenteeism and turnover intentions will be low (**HPE1; HPE2; HPE3**). In a Stage 3 inclusion climate, there will be much interaction, not always task-related, though the openness for feedback does not need to be large. Trust and transparent, open communication (self-disclosure and functional openness) will be limited to the formal or informal circle employees are part of, whereas directness may occur less frequently (because of keeping up appearances of good relations, group-cohesion, and not wanting to hurt fellow-workers). Compliments will be angled for and sometimes paid as well, but calling a colleague to account will occur less frequently in order to prevent relations being put under pressure. Keeping things pleasant is the device, and one can laugh about the silliest jokes (**HT2; HT5**). For that reason, conflicts will be avoided, and by no way forced. At first glance, this increases trust and feelings of safety, though underneath this apparently calm surface, conflicts may be slumbering, waiting to burst out. In a Stage 3 inclusion climate, conflicts of interests will be

resolved by negotiation or cooperation because of good relations, whereas social-emotional conflicts will be either avoided or will lead to tacit or open exclusion (for instance, through mobbing) (**HCR3; HUB5**). When in organizations with a Stage 3 inclusion climate (of either a formal or an informal group) unethical behavior (notably concerning political deviance) occurs, this unethical behavior is covered up (**HUB2**). The tolerance for dissentients will not be too large, but left unsaid, unless it affects joint enemies. Virtues highly acclaimed in a Stage 3 inclusion climate are solidarity, fidelity, mutual respect, feeling responsible for each other, reliability, and functional honesty (that is, limited by groupthink and fear of being excluded). Learning is a difficult issue in a Stage 3 inclusion climate. More in particular, a threat to double-loop learning in a Stage 3 inclusion climate is groupthink, whereas the development of a sound shared vision is a challenge (**HL3; HL4**).

The general risk of any subtype of Stage 3 inclusion climate is ignoring the interests of the organization and other matters transcending the moral horizon of the group. Distinct cliques may combat each other from them versus us images, while polarizing their limited sympathies. This may especially be true in a turbulent environment with a strong pressure to perform extremely well. Again, groupthink may occur, and despite the efforts, outcomes will be suboptimal. Of course, ineffectiveness and inefficiency may occur when pleasantry dominates productivity.

When existing discrepancies cannot longer be controlled, regression to a Stage 2 exchange climate will be possible in which pleasantry of the wrong kind will dominate (through mobbing and bullying of less popular members of the group). The tasks and assignments concerning a Stage 3 inclusion climate are obvious: prevent regression, try to maintain the team spirit, and complete it with ways of thinking and acting that more and more takes group transcending matters into consideration, including interests of the organization (Stage 3/4) as well as societal laws and regulations (Stage 4). A team or unit can aim at being the best in realizing aspects of a strategy of sustainability of corporate social responsibility (SCSR), for instance by facilitating a project a Third World country, or, closer at home, by adopting a social project in the local community the organization is part of.

- The Stage 3/4 company climate: characteristics, antecedents, and impact

Concerning the Stage 3/4 company climate, several variants can distinguished, according to the style of moral reasoning that is dominating. In the deontological variant, organizational rules - either formalized as company regulations or codes, or informal, are at the center. In the teleological variant, organizational goals and interests are the focus of moral decision-making. The axiological and aretaic variants focus on organizational values (such as mission statements concerning quality, safety, consumer relations, care, and innovation) and organizational virtues (local moral competences including loyalty and dedication), respectively. Probably, these variants are much alike in their outcomes, when organizational goals and interests and translated in to company rules, company values and company moral virtues. However, they also may be competing, for instance, when company rules (such as codes of conduct) are formulated too strict to be functional.

Typical to the Stage 3/4 company climate is the organization man (and of course, woman). This type of person was described amply by Whyte (1956) as the employee ardently working for the

organization with heart and soul, not looking beyond the goals and strategies of the organization. The organization man/woman at times ignores personal ethics and interests as well as societal dictates because of the idea that individual and company interests coincide (see Randall, 1987, and the description of the organization man and woman in chapter 4).

Considering their tasks and assignments, a Stage 3/4 company climate usually will be found in for-profit organizations. There may no specific cues in the environment or in the strategy of the organization evoking a Stage 3/4 company climate. However, it can be hypothesized that the older and larger an organization is, the more formalized its behavior will be through rules and procedures, and hence, the bigger the chance that this organization has a Stage 3/4 company climate (or a Stage 4 community climate) (**HE1**). The more organizations and customer or client groups as external stakeholders are organized, the bigger the change that these organizations exhibit conventional morality and have a Stage 3/4 company (or a Stage 4 community climate) (**HE2c**). Furthermore, organizations with a strong and appealing corporate image offer more opportunities for a company climate than organizations lacking a strong and appealing corporate image. A favorable market position, a strategy quickening the imagination and opportunities to realize it, are prerequisites for a Stage 3/4 company climate. The question is whether a situation of boom and scarcity on the labor market are conducive to the development of close ties between individual and organization, and therefore, to a Stage 3/4 company climate. Better perspectives elsewhere may foster job-hopping and decrease of even hinder commitment. In general, due to processes of individualization and fragmentation in a liquid society, it will increasingly difficult to establish or consolidate a Stage 3/4 company climate (**HE5b**).

Concerning organizational strategy, quality strategies go together with a Stage 3/4 company climate or with a Stage 4 community climate when nation-wide or international norms for quality are the points of reference. Innovative strategies go together with a Stage 3/4 company climate when innovation is considered as fostering the organization. In order to be effective, strategies of sustainability and corporate social responsibility should exhibit at least a Stage 3/4 company climate (**HS3b; HS3c; HS5**).

A tendency to a Stage 3/4 company climate can arise when a governmental organization, a not-for-profit organization, or a nongovernmental organization develop or adopt a market orientation, or find themselves confronted with the expectation to perform both market-oriented tasks and community-oriented tasks, and hence become a hybrid organization with inherent conflicts between both orientations.

Concerning concept of production, it can be hypothesized, that the more regulated the technical system, the more formalized the operating work and the more bureaucratic the structure of the operating core, the bigger the change that an organization has a Stage 3/4 company climate. Protocollized production of service processes with external control goes together with a Stage 3/4 (or a Stage 4 community climate). The higher the degree of formalization of processes and procedures to direct behavior (for instance, in regulations and protocols) the more the organization exhibits either a Stage 3/4 company climate or Stage 4 community climate, depending on the nature and the source of the protocols. However - speaking generally - the larger the individual capacity for steering, regulating, and improvising, the bigger the chance will be that there is a high moral climate (**HPR2; HPR4; HPR5; HE2c; HOA1**).

A Stage 3/4 company climate goes together with all kinds of configurations, though especially

the deontological variant demands a certain degree of formalization, and the teleological and axiological variants demand appealing goals and established values that may be inherent to machine bureaucracies or divisionalized structures with strong brand names. In case of less narrow tasks and sufficient personnel care, machine bureaucracies may tend to a Stage 3/4 company climate, if mutual commitment between organization and employee is high (**HOS2b**).
Although there is no preferred moral climate type for adhocracies, other than the moral climate reflecting their tasks and assignments best, because of their organic structure and their relatively small size, adhocracies tend to a coinciding Stage 3 inclusion climate and a Stage 3/4 company climate. However, in larger organizations, adhocracies tend to a Stage 3 inclusion climate at the expense of the targets of the organization through lack of efficiency (**HOS4**).
A role culture with wider role sets goes together with a Stage 3/4 company climate, since role descriptions are conventions giving people guidance. A task culture goes together with a Stage 3/4 company climate when the interests of the organization have legitimate priority and individual and organizational interests appear to coincide (**HOC2; HOC3b**).
Concerning concepts of personnel, it can be hypothesized that the more attention is paid to personnel care, the bigger the change that there is a Stage 3/4 company climate. Speaking more generally, the greater the propensity for the Michigan Model of HR, the bigger the chance that there is lower stage moral climate. Reversely, it can be expected that the greater the propensity for the Harvard Model of HR, the bigger the chance that there is a higher stage moral climate, with a binding role for personnel care (**HP1; HP2; HP3b**).
Concerning leadership, a selling (guiding) leadership style goes together with a Stage 3/4 company climate. More in general, the impact of appropriate exemplary leadership behavior (guidance) is the largest in conventional moral climate types (Stage 3, 3/4, en 4) (good leadership breeds good followers; bad leadership breeds even better ones) (**HLS5; HLS7**).
Concerning stage of individual cognitive moral development, a wide variety of situations can occur. When N is the stage of moral development of an employee, social situations demanding no more than Stage N-1 or even Stage N-2 probably will arouse frustration and dissatisfaction (moral unhappiness).
By implication, a change in strategy appealing to lower levels of moral development (for instance, a cost reduction strategy), will increase moral conflict among people with conventional or post-conventional moral competence, arouse frustration and increase turnover (intentions) (**HMD1a; HMD6**). Social situations asking for Stage 3/4 moral reasoning, may evoke uncertainty with Stage 1 and 2 employees, since moral demands are too high when compared to the required stage of moral development. Moreover, it is difficult to develop adult individuals with a pre-conventional moral competence to conventional stages because moral argumentation patterns are fixed over the years (**HMD1b; HMD2**).
Concerning organizational effectiveness, for-profit organizations are most effective with a Stage 3/4 company climate and may lose effectiveness with a moral climate above Stage 3/4 (**HEP1a; HEP1c**). Governmental organizations, not-for-profit organizations and nongovernmental organizations may lose their legitimacy with a Stage 3/4 company climate (**HEP2b; HEP3b; HEP4b**).
A high degree of serious work force participation will foster the development of a Stage 3/4 company climate (**HPE1**). More generally, the higher the stage of the moral climate, the higher

commitment, psychological well-being and job satisfaction, and the lower absenteeism rates and turnover intentions and rates will be. Reversely, the lower the stage of the moral climate, the lower commitment, psychological well-being and job satisfaction, and the higher absenteeism rates and turnover intentions and rates will be. It can be expected, that in a Stage 3/4 company climate, commitment will be high, level of psychological well-being and job satisfaction will be high, and absenteeism and turnover (intentions) low **(HPE2; HPE3**). However, as can be concluded from the considerations of Randall (1987, 460-461, 462, 464-466), too high levels of commitment from ardently devoted organization men and women can have a negative impact on both individuals and the organizations outweighing the positive payoffs, as the table below shows.

positive impact for individuals	negative impact for individuals	positive impact for organizations	negative impact for organizations
• individual career advancement and compensation enhanced • rewards on behalf of the organization for being obedient • identity as an individual provided with an ardent dedication passionate pursuit	• lack of creativity and innovation • limited opportunities for mobility • stifled individual growth • bureaupathic resistance to change • excessive stress and tension in social and family relations (personal and social alienation) • limited time and energy for non-work organizations • overzealous conformity • lack of peer solidarity for being perceived as rate-buster • willingness to engage in corporate crime for the benefit of the firm • disappointed when loyalty turns out to be one-way traffic	• a secure and stable workforce • employees accepting the demands of the organization for greater productivity • high levels of task competition and performance • attaining organizational goals	• ineffective use of human resources • lack of organizational flexibility, innovation, and adaptability • inviolate trust in past procedures and policies • irritating and antagonizing people outside the organization from overzealous workers • and illegal or unethical acts committed on behalf of the organization

There will be much openness in communication, and a certain degree of directness concerning task-oriented communication. A Stage 3/4 company climate are characterized by friendly non-challenge, moderate self-disclosure, much open functional openness, and few or much directness (depending on the type of organization and the organizational culture) (**HT3)**.
In dealing with conflicts, locally existing discrepancies will be resolved by referring to the overarching interests of the organization. In a Stage 3/4 company climate, conflicts of all kinds will be avoided because of the higher interests of the organization, or alternatively, accommodated because of the same higher interest (as an alleged coinciding of individual and organizational interests) (**HCR4**).
Because of the consensus derived from the shared organizational interest, level of mutual trust will be high, and hence, there will be a moderate to high common experience of safety (**HT5**).
Indoctrination takes placed with regard to the mission of the organization. Employees are invited to be an organization man or woman within the framework of a family culture

characterized by a strong commitment to the company ("I am a really Philips man" or "I belong to the railways"). It can be expected that because of processes of liquefying in modern societies, commitment to the organization will become harder to maintain (**HE5b**). Moral thinking remains limited to the moral horizon of the organization, unless the policy of the organization is a pronounced strategy aiming at sustainability or corporate social responsibility. Even then, in a Stage 3/4 company climate, the goals, targets, and rules of the organization are much more important than the contents of the strategy itself. Unethical behavior will occur in a Stage 3/4 company climate, but not so much regarding production deviance or property deviance than personal aggression (**HUB4; HUB5**). Organizations with a Stage 3/4 company climate tend to unethical behavior when compliance to governmental regulations harms economic performance (**HUB3**). The question is, whether an immoral organization goes together with a Stage 3/4 company climate. Looking from the outside, the answer could be affirmative. However, since in an immoral organization everyone can be blackmailed by anybody, levels of trust will be very low, while primitive egoism is the real style of moral argumentation, covered up by a superficial commitment to the organization (since all involved are in the same boat).

A Stage 3/4 company climate should challenge the diverse forms of learning. Nevertheless, groupthink can be threat to double-loop learning (**HL3**); learning disabilities such as "I am my position" and "the enemy is out there" are typical to a myopic Stage 3/4 company climate. Developing and keeping a shared vision the core assignment (**HL3; HL4; HL5**).

The hazards of a Stage 3/4 company climate are inherent to its limited moral horizon. Employees and management may be fixated on the organizational strategies and goals, at the neglect of alternatives and ethical issues concerning broader interests and societal rules and regulations. Laws and collective labor agreements can be dealt with in a creative manner when the interests of the organization demand so. By implication, in many cases there will an external orientation to the law **(HUB3**).

A risk of a Stage 3/4 company climate is the emergence of subclimates due to discrepancies or conflicts between distinct departments and units. These subclimates may not foster overall organizational effectiveness.

Another hazard of a Stage 3/4 company climate is the impact of a societal orientation of the company (for instance when trying to find legitimacy through certification (for instance, ISO-9000 and beyond). Development to a Stage 4 community climate may be possible. However, this implies the risk of not matching the tasks and assignments as defined in the branch of industry, and hence the risk of harming the competitive position, loosing decisiveness, and being less effective, unless the strategic choice is being a market leader in qualitative and moral respects. When an organization already has a Stage 4 community climate while adopting societal tasks and assignments, but adopts a market orientation, the possibility of a Stage 3/4 company climate will actually be a step back. Internal conflicts may arise about prioritizing goals in such a hybrid moral climate configuration. The assignment for organizations with a Stage 3/4 company climate is trying to consolidate it and develop it into the direction of aspects of a Stage 4 community climate while watching the dysfunctions of a hybrid moral climate.

- The Stage 4 community climate: characteristics, antecedents, and impact

Essential to a Stage 4 community climate is the orientation on societal goals and a community

orientation. A Stage 4 community climate occurs in organizations that have their core task in implementing societal policies and regulations, more in particular, governmental organizations and not-for-profit organizations such as educational, cultural, and health care organizations, housing corporations, and other organizations with an orientation on public affairs.

In chapter 4, we have discussed some problems with the contents of Stage 4 moral argumentation. Considered from an international perspective, there is no such thing as an unequivocal Stage 4 moral argumentation. The relationship between the moral and the juridical domain reflects developments in the relation between government and citizen. In fact, each country has its outcomes of political debates about the role and the tasks of the government (local as well as national). Though the underlying structure of Stage 4 moral argumentation will not differ much between countries, the type of legality, the position on the liberalism-communitarianism continuum, type of capitalism, and national culture all affect the actual contents of Stage 4 thinking. In many respects, the USA is very different from West European countries, Canada, and Japan, while gross differences between West European countries exist as well (Britain, Netherlands, Germany, France, Greece, Sweden, Denmark) (Hamden-Turner & Trompenaars, 1994). It is extremely important in cross national moral climate research to consider these differences in defining what a Stage 4 community climate really is like, in order to prevent drawing invalid conclusions. However, this is not the only issue.

An additional issue is that **the** government as such does not exist. It is a conglomerate consisting of a variety of authorities on several levels (national, provincial, local) with general or specific tasks such as public bodies (district water boards), the army, the police, tax authorities, food and drug administration, driving ability authority (CBR), immigration service (IND), department of employment (UWV), and many other bodies. Moreover, there are numerous subsidized organizations in the fields of, for instance, education, (health) care, culture, and community organization. Each institution will reflect the outcomes of political debates about the role and the tasks of authorities in its own right.

From the perspective of branching, in a Stage 4 community several accentuations are possible, when focusing on societal rules (deontological), social goals and interests (teleological), societal values (axiological), and citizenship virtues (aretaic). An orientation on societal values may involve Stage 5 social-contract moral argumentation when it comes down to translate societal values (such as justice, autonomy, care, and respect) into policies. Furthermore, it would be convenient when in organizations promoting social values the work force would have developed the accompanying citizenship virtues, such as taking responsibility for public matters, a sense of duty, integrity, and honesty). The orientation on societal goals will correspond to a complicated system of laws, regulations, order, local acts, covenants, and collective labor agreements. By definition, A Stage 4 community climate has its moral horizon outside the organization (that part of society they are responsible for) and therefore, an internal relation to the law and a commitment to implementation of laws, regulations and procedures.

Other organizations, in particular for-profit organizations, could also exhibit features of a Stage 4 community climate, for instance by adopting an orientation on national or international quality systems, branch codes, professional codes of conduct, or by fostering sustainability and taking corporate social responsibility. However, it can be expected, that these aspects will always be at odds with profit motives, shareholder interests, and the pursuit of continuation and viability.

Another issue is that labor organizations anyhow should have an eye for public matters, because they interwoven with society, using its infrastructure (roads, education). Because of these dependencies, no organization should afford shifting the negative outcomes as externalities to society. However, competition may prevent these organizations taking the lead concerning these issues. A common company cannot be expected to show societal exemplary behavior, because of the tension between profits and morality.
Special cases are those organizations with hybrid tasks and assignments, serving their own interests as well as serving public matters. Nice examples are those garages that are also motor vehicle inspection authorities.

Organizations with a Stage 4 community climate will operate in an environment in which they are expected to implement legislation that is committed or assigned to them. The strategy will be directed at reducing uncertainty. The older and larger the organization, the more formalized its behavior will be through rules and procedures, the bigger the chance that this organization has a Stage 4 community climate. Protocollized production of service processes with external control goes together with a Stage 4 community climate. The more an organization is sincerely committed to laws and regulation, the bigger the change that this organization has a Stage 4 community climate (with type of economic system, type of legality, position on the liberalism-communitarianism continuum, and national cultures as specifying variables). The more organizations and customer or client groups as external stakeholders are organized, the bigger the change that these organizations exhibit conventional morality and have a Stage 4 community climate (**HE1; HE2a; HE2c; HPR5**). The orientation on stability goes together with being a professional bureaucracy and having trouble with renewal and innovation. Relinquishing former attainments will be difficult, especially when they are firmly rooted in the law. On the other hand, Stage 4 professional organizations may pursue gradual innovation. Most of the time, a Stage 4 community climate goes together with a quality strategy. In order to be effective, strategies of sustainability and corporate social responsibility demand a Stage 4 community climate (or at least a Stage 3/4 company climate, presupposed that the organizational goals reflect social values concerning sustainability and corporate responsibility) (**HS2; HS3c; HS5**). Because of their age and size, organizations with a Stage 4 community climate will show a considerable degree of stratification with many different positions. The degree of formalization will be high because of the fixation on rules, regulations, and procedures. The higher the degree of formalization of processes and procedures to direct behavior (for instance, in regulations and protocols), the more the organization exhibits a Stage 4 community climate (or a Stage 3/4 company climate, depending on the nature and the source of the protocols) (**HOA1**).
Professional bureaucracies tend to a Stage 4 community climate or to a Stage 5 social contract climate, depending on their conventional or post-conventional tasks and assignments and the nature of the regulations (as impacted by the position of society on the liberalism-communitarianism continuum, the type of capitalism, and the type of legality). It should be noted here, that professionals are not promoters of higher moral climates per se. When professionals are out for themselves (for instance, medical specialists), they moderate a Stage 2 exchange climate. However, when professionals are members of professional organizations with strong regulations (for instance, codes), they moderate either a Stage 4 community climate or a

Stage 5 social contract climate (depending on the nature of the regulations involved) (**HOS3; HPR6**). A Stage 4 community climate goes together with either a role culture with not too restricted roles giving guidance or a person culture, depending on tasks and assignments (**HOC2; HOC4**).

Concerning concepts of personnel, the greater the propensity for the Michigan Model of HR, the bigger the chance that there is a lower stage moral climate. Reversely, it can be expected that the greater the propensity for the Harvard Model of HR, the bigger the chance that there is a higher stage moral climate, with a binding role for personnel care). By implication, in a Stage community climate, HR policies will be directed at controlling and facilitating staff. Because, for the most part, employees are officials, their legal position will be excellent. Issues of safety, health, and well-being will receive a lot of attention, for their own sake, but also because the organization wants to set an example to other organizations, especially when it concerns a governmental organization. However, he question is whether personnel care really is a decisive factor having much impact on the present moral climate, since employees have their moral horizon outside the organization (**HP1; HP2; H3c**).

Concerning leadership, a supporting/participating leadership style goes together with a Stage 4 community climate, assumed that follower are moderate to high in performance readiness. The impact of appropriate exemplary leadership behavior (guidance) is moderate to large in a Stage 4 community climate) (good leadership breeds good followers, bad leadership even better ones) (**HLS6; HLS7**).

Concerning stage of individual cognitive moral development, a Stage 4 community climate needs employees with a Stage 4 moral competence and readiness to Stage 4 performance. It is difficult to develop adult individuals with a pre-conventional moral competence to conventional stages because moral argumentation patterns are fixed over the years. This type of employee may experience uncertainty because of moral demands being too high when compared to the actual stage of moral development. On their turn, individuals with a Stage 5 moral competence will tend to influence a Stage 4 community climate in an upward direction through argumentative discussion. Furthermore, a change in strategy appealing to lower levels of moral development (for instance, a cost reduction strategy), will increase moral conflict among people with Stage 4 competence, arouse frustration and increase turnover (intentions) (**HMD1b; HMD2; HMD6; HMD8**).

Considering effectiveness, for-profit organizations may lose effectiveness when exhibiting a Stage 4 community climate (**HEP1c**). Governmental organizations and not-for-profit organizations are most effective with a Stage 4 community climate (or with a Stage 5 social contract climate, depending on their specific tasks and assignments). Governmental organizations and not-for-profit organizations may lose effectiveness with a moral climate above Stage 4 community climate or Stage 5 social-contract climate, depending on their specific tasks and assignments. They will lose effectiveness with a post-conventional Stage 5 social contract in case of Stage 4 tasks and assignments and with a Stage 6 universalistic climate or a Stage 7 spiritual climate when otherwise. Governmental organizations and not-for-profit organizations may lose their legitimacy with a moral climate reflecting lower stages of moral development (for instance, a Stage 3/4 company climate, or a Stage 3 inclusion climate, not to speak of pre-conventional moral climates) (**HEP2a; HEP2b; HEP2c; HEP3a; HEP3b; HEP3c)**.

Nongovernmental organizations, being mist effective with a Stage 5 social-contract climate or a Stage 6 universalistic climate, may lose their legitimacy with a Stage 4 community (**HEP4a; HEP4b**).
A high degree of serious work force participation will foster the development of a Stage 4 community climate because of the many opportunities for consultation (**HPE1**). More generally, the higher the stage of the moral climate, the higher commitment, psychological well-being and job satisfaction, and the lower absenteeism rates and turnover intentions and rates will be. Reversely, the lower the stage of the moral climate, the lower commitment, psychological well-being and job satisfaction, and the higher absenteeism rates and turnover intentions and rates will be. It can be expected, that in a Stage 4 community climate, commitment will be high, level of psychological well-being and job satisfaction will be high, and absenteeism and turnover (intentions) low **(HPE2; HPE3**).
In a Stage 4 community climate, levels of unethical behavior can expected to be low, concerning production deviance and property deviance, though not with regard to political deviance and personal aggression (**HUB1; HUB4; HUB5**).
A Stage 4 community climate will feature friendly non-challenge, moderate self-disclosure, much open functional openness, and few or much directness (depending on the type of organization and the organizational culture). There will be openness for communication and feedback, though the actual practice of many authorities (such as the policy, or local departments) reveals that things are not always going as we hoped it would. Nevertheless, a large degree of trust can be expected, whereas strong feelings of safety will be common (depending on the type of clientele!) (**HT3; HT5**).
Discrepancies may occur concerning the vision on the goals of the organization. Conflicts about contents of tasks will be avoided or are resolved in a constructive manner, by cooperation or collaboration ("Our Way"), or by formulating new procedures and other mechanisms for conflict regulation. However, conflicts of interests may be resolved by avoiding, submitting, compromising, or even forcing, depending on contingencies (**HCR4; HCR5**).
Concerning learning, a Stage 4 community climate offers ample possibilities for double-loop learning, though groupthink may be a limiting factor, as well as the learning disabilities "I am my position" and "the enemy is out there". Maintaining a shared vision is of the assignments in a Stage 4 community climate (**HL3; HL4; HL5; HL6**).

Many hazards are inherent to a Stage 4 community climate. First, an important issue concerns the possibility to test laws, regulations, and procedures against higher criteria of justice. Problems may arise when loyal officials or functionaries manifest themselves as post-conventional and responsible citizens that interpret the laws and regulations and use procedures according to their own understanding because of a higher good. Officials may experience a conflict between their loyal Stage 4 orientation based on an internal relation with the law versus a Stage 5 orientation taking both an internal and external (post-conventional) position concerning the law. The effect will be a discrepancy between officials performing their tasks and hence, confusion of the public experiencing unequal treatment. Therefore, a Stage 5 social-contract climate may not fit organizations with Stage 4 tasks and assignments.
Second, an issue arises when moral competences of officials lag behind the stage of moral

development that is necessary to accomplish the tasks and assignments of the organization. Personnel should be willing and be able to perform Stage 4 moral thinking and acting, and thus should have the competences to do so. If not, loss of quality, and eventually, loss of legitimacy will occur in the eyes of the public. When tax inspectors settle the tax declarations of relatives and friends with unjustified benevolence, and this becomes known to the public, tax authorities probably will have a big image problem in need of rectification. Developing moral competences is an important issue in this type of organizations, if only because due to processes of standardization, these organizations show ever more features of a machine bureaucracy, with narrower job descriptions, and, possibly, less commitment to the cause).

Third, the orientation on continuation of the organization may guide the attention away from the actual tasks and assignments. Some sort of bureaucratic Stage 3/4 company climate may emerge in which policy plans are made for the sake of making policy plans instead of serving the public. Furthermore, in governmental organizations group interests may be dominant, through which within organizations uncontrolled cliques with a Stage 3 inclusion climate of all sorts may come into existence.

Fourth, problems can be expected when governmental organizations or not-for-profit organizations are expected to work in a businesslike fashion while adopting a market orientation and behave as if they were a for-profit company while letting slide public tasks and assignments. Eventually, loss of legitimacy will be the result.

Fifth, for-profit organizations with a tendency to a Stage 4 community climate have other issues and challenges, first of all dealing with the inherent tension between citizenship (taking corporate social responsibility) and making profit, already mentioned. Legislation directs for-profit organizations to citizenship, and it would be god if this occurs based on an internalized commitment to the public case. Branches of industry show a wide diversity, some of them exhibiting exemplary behavior, whereas other lack internalized commitment while breaking the law, cooking the books, and misleading clients and customers. The challenge is to take the own pretensions regarding sustainability and corporate social responsibility serious and translate them into an appropriate HR policy in which employees are selected, trained, appraised and rewarded for their corporate responsible citizenship.

III The post-conventional moral climate types

- The Stage 5 social-contract climate: characteristics, antecedents, and impact

Essential to a Stage 5 social-contract climate is the persistent orientation on moral principles (more in particular, justice) while trying to translate them into rules with a quality of justice as high as possible for a considerable number of stakeholders (though the moral horizon is not unlimited). In doing so, the risk of a Stage 4 community climate of confusing an internal and an external relation with the law is raised to a specific and central assignment. Core activity is solving moral issues in the light of indistinct, incomplete, inadequate societal rules while improving or even reforming these rules from a post-conventional perspective. The question is what kind of organizations (or their formal and informal subsystems) ask for a permanent post-conventional collective moral competence. From the outset, it can be expected that these organizations and people within them are highly vulnerable, if only because of an environment that usually does not perform in a Stage 5 manner.

A Stage 5 social-contract climate matches with those organizations operating in an environment asking complex questions with a strong moral element that cannot always be answered properly within existing rules (laws, collective labor agreements). Organizations (or formal subsystems, such as staff departments) with this type of assignment will need a Stage 5 social-contract climate to perform these tasks and assignments.

Organizations with a Stage 5 social-contract climate will be innovative in situations with legal and moral uncertainty and indecisiveness (**HS3c**). There is explicit orientation on values and virtues such as justice, fairness, integrity, responsibility, and to procedures to arrive at justified Stage 5 moral decisions. There will be few organizations with an overall Stage 5 social-contract climate. However, in organizations that have to deal with complex moral decisions, such as hospitals, social service organizations, courts of law, or have an explicit task in designing a just future for everyone will and need to breathe a Stage 5 morality (such as congressional groups or the policymaking department of labor unions).

Organizations, department, or units with a Stage 5 social-contract climate will not be very large, and for the most part will be a professional bureaucracy or perhaps an adhocracy. The preferred moral climate type of missionary organizations is a Stage 5 social contract climate, a Stage 6 universalistic climate, or even a Stage 7 spiritual climate. However, the actual moral climate will reflect the idiosyncrasies of the members of that particular organization (especially, their motives to participate in the organization) (**HOS6**).

Discretionary space – an extended capacity for steering, regulating, and improvising - will be large, because of the task to make decisions with an explicit post-conventional moral component (**HPR4**). Positions will be specialist, with a strong orientation on rules and procedures of professional associations and a tendency to test organizational policies and procedures conscientiously. In a Stage 5 social-contract climate, employees will experience formal regulations and protocols as an unnecessary curtailment of their professional discretion and will try to control democratically the administrative decisions affecting them (**HOA2**). However, being an R-professional or I-professional does not imply that these professionals are moderators of higher moral climates. When they are out for themselves - for instance, medical specialists - they moderate a Stage 2 exchange climate. However, when professionals are members of professional organizations with strong regulations (for instance, codes), they moderate either a Stage 4 community climate or a Stage 5 social contract climate (depending on the nature of the regulations involved, as impacted by the position of society on the liberalism-communitarianism continuum, the type of capitalism, and the type of legality) (**HPR6; HOS3**).

Culture will resemble a person culture, based on the personally embraced moral statute guiding professional thinking and acting (**HOC4**). A Stage 5 social-contract climate demand a tendency to consider staff from the perspective of the Harvard Model of HR (**HP2**), though personnel care is not a factor having much impact on the present moral climate (**HP3c**).

Considering leadership, a Stage 5 social-contract climate goes together or demands an authentic delegating leadership style (either servant or transactional) (**HLS8a**). However, the directing impact of leadership style in a Stage 5 social-contract climate will be negligible, because of the high level of performance readiness of employees (**HSL9**).

Concerning Stage 5 individual employees in a Stage 5 social-contract climate , it can be expected that social situations demanding no more than Stage N-1 or even Stage N-2 probably will arouse

frustration and dissatisfaction (moral unhappiness) (**HMD1a**). A change in strategy appealing to lower levels of moral development (for instance, a cost reduction strategy), will increase moral conflict among people with Stage 5 moral competence, arouse frustration and increase turnover (intentions) **(HMD6**). From the reverse angle, when trying to establish a Stage 5 social-contract climate, and hence, asking for Stage+2 moral reasoning, employees functioning at lower stages of moral development may experience uncertainty because of moral demands being too high when compared to their actual stage of moral development (**HMD1b**).
Concerning organizational effectiveness, for-profit organizations may not be effective with a moral climate above Stage 3/4 and will lose effectiveness with a post-conventional Stage 5 social-contract climate (**HEP1c**). Governmental organizations and not-for-profit organizations – most effective with a Stage 4 community climate – can be effective with a Stage 5 social-contract climate, when their task and assignments demand post-conventional morality, but may be losing effectiveness when these tasks and assignments are absent (**HEP2a; HEP2c; HEP3a; HEP3c)**. Nongovernmental organizations are most effective with a Stage 5 social contract climate (or a Stage 6 universalistic climate, depending on focus and targets) (**HEP4a**).
Because of the many opportunities for steering, regulating, and improvising, the high degree of serious work force participation, and the extended professional discretion, commitment, psychological well-being and job satisfaction will be high, whereas absenteeism rates and turnover intentions and rates will be low (**HPE1; HPE2**).
A professional attitude goes together with openness for feedback and transparent communication, leading to tough, open debates based on the principles of the argumentation model. There will be tolerance for other visions, especially when these visions challenge existing practices in a developmentally upward way. Levels of trust will be high; feelings of safety will be experienced commonly (**HT4; HT5**). Of course, there will be conflicts, especially conflicts in the vision, opinion, and identity sphere that lie at the core of the very tasks of the organization: post-conventional interpretation of rules and post-conventional thinking to arrive at new and better interpretations of moral principles by looking at the effects concerning all involved. This type of conflict will be resolved by using the argumentation model. On their turn, conflicting interests may tackled by avoiding, accommodating, or seeking compromises, preferably in terms of "Our Way". Even subtle forcing through manipulative behavior may and will occur (especially for those situations that do not demand post-conventional morality, such as duty rosters, taking vacations, or compensating overtime hours) (**HCR5**). In organizations, departments, and units with a Stage 5 social-contract climate, little unethical behavior will occur, if at all. Though personal aggression occurs in any moral climate type, it will occur the least in a Stage 5 social-contract climate (and, of course, in a Stage 6 universalistic climate) (**HUB4; HUB5**). Concerning learning, a Stage 5 social-contract climate fosters both double-loop learning and triple-loop learning, and offers opportunities for building a shared vision (**HL4; HL6; HL7**).

The Stage 5 social-contract climate has its own specific hazards. First, there is the risk of becoming rigid and "regressing" to a Stage 4 community climate when newly formulated rules and regulations have the power of law and disallow new critical interpretations for some time. In other situations, horizontal defensive cliques may stop innovation when this is contrary to their

interest (for instance, by defending a laboriously developed procedure). Second, there is the risk of lacking moral competences of members of the organization. Being able to function (sensing, thinking, judging, deciding, and acting) in a Stage 5 manner is not only difficult, many people do not manage to carry on Stage 5 performing for a longer period. Third, because not all activities in an organization require complicated Stage 5 moral competence, performing core activities can be infected by modes of thinking and acting that are familiar in other parts of the organization (such as a 9-5 attitude). Fourth, they may the risk of illegality when new rules with a high quality of justice are developed but have not been secured yet in formal laws and regulations (as may be the case in the medical sector, for instance concerning sedation or euthanasia). Fifth, organizations (or their formal subsystems) with a Stage 5 social-contract climate may experience difficulties when collaborating with other organizations, departments or units lacking a Stage 5 morality, because they often can and will not understand and estimate the complexity and meticulousness that are needed to fulfill post-conventional tasks and assignments. This may lead to frictions and sometimes to irresponsible adjustments to external demands, for instance because of political and economic pressure, or, even worse, pressure exercised by public opinion (for instance, concerning Dutch custody centers in 2005 and 2006). Sixth, the effectiveness, decisiveness, and efficiency of the organization, department, or unit, may be at issue because of the time and the energy that has been put into developing new and better (more just) procedures, in particular when people make a game out of being innovative. Organizations, departments, or units with a Stage 5 social-contract climate may go down because of their own precision and carefulness, as turned out rather awkwardly in the spring of 2006 when the Yugoslavia Tribunal tried to arrive at judicial construction concerning Slobodan Milosevic, the former president of Serbia-Montenegro, who was being accused of genocide. While attempting to formulate the charge as complete as possible, the accusers overlooked the mortality of Milosevic. He died before a verdict was possible. With a more restricted charge, the effectiveness of the Tribunal would have been bigger, because "Slobo" certainly would have been sentenced. It is hard to formulate developmental tasks for an organization (department or unit) with a Stage 5 social-contract climate. Because of the level of competences already being high, further development is not obvious, if only because of the possible tasks and assignments of organizations with a Stage 6 universalistic climate are little. A better course action would be to consolidate and strengthen the Stage 5 social-contract climate and disseminate, explain, and legitimate it to external parties, such as the general public.

- *The Stage 6 universalistic climate: characteristics, antecedents, and impact*

The Stage 6 universalistic climate – probably very exceptional it its existence – is characterized by very meticulous decision-making procedures with the broadest moral horizon thinkable, while taking into consideration all interests of all stakeholders here and now, there and in the future. There is maximum attention for the public case, based on both an internal and external relation with the law.

The differences between a Stage 5 social-contract climate and a Stage 6 universalistic climate are small though decisive. It is concluded too easily that the latter is a limiting case of the former. Nevertheless, much of the characterization of a Stage 5 social-contract climate also applies to the Stage 6 universalistic climate, including its hazards, since both are post-conventional.

One might wonder where a universalistic climate can be found. A universalistic climate may occur in those organizations, departments, and units with universalistic tasks and assignments, for instance the Dutch Commissie Gelijke Behandeling, or in policy formulating departments of global normative organizations such the UNESCO, the WHO, Amnesty International, Greenpeace, and of the numerous nongovernmental organizations pursuing good causes. Common organizations, for-profit, not-for-profit, or governmental organizations usually do not have tasks and assignments focusing on the maximal horizon of universal morality. The number of organizations that do is relatively small, and has a very specific and specialized task.
As in a Stage 5 social-contract climate, organizations with a Stage 6 universalistic climate will operate in a complicated environment in which interests of all actual and potential stakeholders need to be taken into consideration. The difference with a Stage 5 social-contract climate is, that in a Stage 6 universalistic climate moral decision-making takes place in front of all involved now and in the future. Moral decision-making has to be justified for of each person, group, organization, or other moral entities (with landscapes as borderline cases, since it can be questioned whether landscapes are moral actors having rights and interests).
A Stage 6 universalistic climate goes together with an innovative strategy, if it concerns the solution of problems existing for a long period of time (**HS3c**). Since these problems have global aspects, affecting everyone and anyone, organizations, departments, or units with a Stage 6 universalistic climate will often exhibit features of missionary organizations, because of in the eyes of many, the universalistic perspective of Stage 6 morality will look missionary (**HOS6**). Nevertheless, in their structure, they will be professional bureaucracies of a highly specialized kind in which consultation between anyone involved becomes possible, thus breathing a democratic spirit and fostering "Herrschaftsfreie Kommunikation" (Korthals, 1986).
Discretionary space – an extended capacity for steering, regulating, and improvising - will be large, because of the task to make decisions with an explicit post-conventional moral component (**HPR4**). In a Stage 6 universalistic climate, employees will experience formal regulations and protocols as an unnecessary curtailment of their professional discretion and will try to control democratically the administrative decisions affecting them (**HOA2**). Being an R-professional or I-professional does not imply that these professionals are moderators of higher moral climates. When they are out for themselves (for instance, medical specialists), they moderate a Stage 2 exchange climate. However, when professionals are members of professional organizations with strong regulations - for instance, codes -, they moderate either a Stage 4 community climate or a Stage 5 social contract climate (depending on the nature of the regulations involved) (**HPR6**).
Discretionary space – an extended capacity for steering, regulating, and improvising - will be large, because of the task to make decisions with an explicit post-conventional moral component (**HPR4**).
Culture will resemble a person culture, based on the personally embraced moral statute guiding professional thinking and acting (**HOC4**). A Stage 6 universalistic climate demand a tendency to consider staff from the perspective of the Harvard Model of HR (**HP2**), though personnel care is not a factor having much impact on the present moral climate (**HP3c**).
Considering leadership, a Stage 6 universalistic climate goes together or demands an authentic delegating leadership style (either servant or transactional) (**HLS8a**). However, the directing impact of leadership style in a Stage 6 universalistic climate will be negligible, because of the high

level of performance readiness of employees (**HSL9**).
Concerning Stage 6 individual employees in a Stage 6 universalistic climate , it can be expected that social situations demanding no more than Stage N-1 or even Stage N-2 probably will arouse frustration and dissatisfaction (moral unhappiness) (**HMD1a**). A change in strategy appealing to lower levels of moral development (for instance, a cost reduction strategy), will increase moral conflict among people with Stage 6 moral competence, arouse frustration and increase turnover (intentions) **(HMD6**). From the reverse angle, when trying to establish a Stage 6 universalistic climate, and hence, asking for Stage+2 moral reasoning, employees functioning at lower stages of moral development may experience uncertainty because of moral demands being too high when compared to their actual stage of moral development (**HMD1b**). However, one critical remark needs to be made concerning Stage 6 individuals.
Organizations pretending to have a Stage 6 universalistic climate may not live up to these expectations because only few individuals are consistently capable of Stage 6 moral reasoning (**HMD9**).
Concerning organizational effectiveness, for-profit organizations may not be effective with a moral climate above Stage 3/4 and will definitely lose effectiveness with a post-conventional Stage6 universalistic climate (**HEP1c**). Governmental organizations and not-for-profit organizations – most effective with a Stage 4 community climate – will lose effectiveness with a Stage 6 universalistic climate (**HEP2a; HEP2c; HEP3a; HEP3c)**. Nongovernmental organizations are most effective with a Stage 5 social contract climate or a Stage 6 universalistic climate, depending on focus and targets (**HEP4a**).
Nongovernmental organizations with Stage 6 tasks and assignments and a Stage 6 universalistic climate may lose their legitimacy with a moral climate reflecting lower stages of moral development (**HEP4b**). Nongovernmental organizations with Stage 6 tasks and assignments will lose effectiveness with a Stage 7 spiritual climate (**HEP4c**).
Because of the many opportunities for steering, regulating, and improvising, the high degree of serious work force participation, and the extended professional discretion, in a Stage 6 universalistic climate commitment, psychological well-being and job satisfaction will be high, whereas absenteeism rates and turnover intentions and rates will be low (**HPE1; HPE2**).
Unethical behavior, favoritism, gossip and other forms of mobbing are not likely to occur, at least not in the professional operational core. Though personal aggression occurs in any moral climate type, it will happen least in a Stage 6 universalistic climate (**HUB4; HUB5**). Trust, feelings of safety (**HT4; HT5**), and mutual care will be common, whereas conflicts will be discussed while trying to reach consensus by using the argumentation model, at least concerning the essential tasks and assignments of the organization. Conflicts in the vision, opinion, and identity sphere that lie at the core of the very tasks of the organization: post-conventional interpretation of rules and post-conventional thinking to arrive at universalistic interpretations of moral principles by looking at the effects concerning all involved. Conflicting interests may tackled by avoiding, accommodating, or seeking compromises. Even subtle forcing through manipulative behavior may and will occur (especially for those situations that do not demand post-conventional morality, such as duty rosters, taking vacations, or compensating overtime hours) (**HCR5**).
There is ample opportunity for learning, not only single-loop and double-loop learning, but also

triple-loop learning, since this form of learning matches the tasks and assignments of this type of organization (**HL6; HL7**).
The question is, whether - apart from the operational core of professionals - this also counts for other departments and units, such as the techno structure or service departments (such as, for instance, the catering unit or the post room). As we have seen, one of the hazards of post-conventional morality is being affected by modes of thinking and acting reflecting lower stages of moral development. Furthermore, organizations, departments, and units with a Stage 6 universalistic climate will also have to deal with issues of effectiveness and efficiency. An issue specific to Stage 6 organizations (especially nongovernmental organizations) is the risk of what I would like to call "regionalization", restricting the moral horizon to specific groups of stakeholders while excluding other groups. A hazard specific to this type of moral climate is being claimed or even hedged by national governments (Stage 4 "regression"), especially when they sponsor and control Stage 6 organizations (**HEP4b**). In addition, Stage 6 organizations have to deal with a critical, at times impatient and not comprehending public opinion.

- *The Stage 7 spiritual climate: characteristics, antecedents, and impact*

It can be doubted whether Stage 7 moral reasoning is a moral stage at all, and if it is whether there will be organizations with a Stage 7 spiritual moral climate type. More likely, a moral climate may contain spiritual elements that are or are not at odds with the main style of moral reasoning, the stage of cognitive moral development of individual employees, and the tasks and assignments of the organization or its formal subsystem. What would a Stage 7 spiritual climate be like?
Probably, organizations with a pure Stage 7 spiritual climate are not likely to occur. Nevertheless, organizations, or their formal and informal subsystem, can guide themselves by one form of spirituality or another. A spiritual climate will manifest itself through the way employees and management interact within the framework of common spiritual perspectives. These perspectives can be religious but need not be. In Mintzbergian terms, organizations with a Stage 7 spiritual climate will either missionary organizations or political organizations (insofar as they are guide by spiritual principles). The main purpose of such organizations can be realizing spiritual principles, as in religious communities, such as monasteries, though religious communities may be rather conventional in their purposes and behavior.

Though the preferred moral climate type of missionary organizations is a Stage 5 social-contract climate, a Stage 6 universalistic climate, or even a Stage 7 spiritual climate, the actual moral climate will reflect the idiosyncrasies of the members of that particular organization (especially, their motives to participate in the organization) (**HOS6**). Organizations pretending to have a Stage 7 spiritual climate may not live up to these expectations because only few individuals are consistently capable of Stage 7 moral reasoning (**HMD9**). Nevertheless, even common companies can have a spiritual dimension, mostly because of enthusiastic (top)management, for instance those managers wishing to anticipate a better world through their economic activities. Parboteeah and Cullen (2003) reflected upon the possibility of other moral climates to encourage spirituality in the workplace. They did not distinguish a specific Stage 7 spiritual climate. Instead, they took the typology of Victor and Cullen as their point of department, emphasizing that

spirituality in the workplace can benefit employees by helping them deal with the realities of today's workplace, finding more meaning in their work and lives and connecting with other people (2003, 138-139). The authors explain spirituality in terms of "conditions for community", "meaning at work", and "inner life". Not surprisingly, they suggested that that the benevolent-local and principled-local ethical climate types are the most conducive to foster the development of workplace spirituality. In contrast, an egoistic ethical climate seems to be the least desirable climate for the development of workplace spirituality because of its emphasis on gains at the expense of other individuals or social entities.

Of course, the question is how a Stage 7 spiritual climate relates to market constraints. For-profit organizations will lose effectiveness with a Stage 7 spiritual climate (**HEP1c**). Making profit is quite another thing than thinking over what kind of piece of the jigsaw puzzle you want to be in an enigmatic world. Governmental organizations, not-for-profit organizations, and nongovernmental organizations will lose effectiveness with a Stage 7 spiritual climate with Stage 4 tasks and assignments (**HEP2c; HEP3c; HEP4c**). In fact, this is the essential weakness of a Stage 7 Spiritual climate: corrupting the spiritual principles by surrendering to the delusions of everyday organizing while performing assignments versus focusing on the spiritual message while neglecting earthly targets. The real power of a Stage 7 spiritual climate lies in connecting people, seeking and finding meaning, offering both inner peace and open and honest relations. No wonder, an organization with a Stage 7 spiritual climate of fosters triple-loop learning and development of a shared vision and personal mastery (**HL4; HL6; HL7**) (while other types of learning occurring as well). The degree of serious work force participation in decision-making will be high, as will be commitment, psychological well-being, and job satisfaction, while absenteeism and both turnover intentions and rates will be low (**HPE1; HPE2**). Behavior will be highly ethical, unethical acts being scarce, whereas personal aggression will not occur (**HUB4; HUB5**). Levels of trust will be high, as will be the readiness for transparent, open communication. Furthermore, there will be strong feelings of safety (**HT4; HT5**). Conflicts of any kind will be resolved by cooperation (in terms of "Our Way") while using the moral argumentation model (**HCR5**).

Concerning leadership, authentic servant and transformational leaders using post-conventional moral reasoning will be the dominant style of leadership, if any (**HLS8b**). People with pre-conventional or conventional styles of moral argumentation may experience differences concerning their participation in a Stage 7 spiritual climate (because of the N+2 character of the situation (**HMD2**). On the other hand, a change in strategy appealing to lower levels of moral development (for instance, a cost reduction strategy), will increase moral conflict among people with a Stage 7 post-conventional moral competence, arouse frustration and increase turnover (intentions) (**HMD6).**

6.4 An illustration of moral climate theory and practice

Introduction

The vignette presented in this section serves as an apt illustration of the model outlined in the previous section, not as a proof of its usefulness while testing hypotheses but to explore

possibilities of moral climate theory, as a plausibility probe (Blaikie, 2000, 220). It is meant to be a thick description of the moral climate of a company (with information collected from a variety of resources), while referring to the hypotheses from the previous section. In the concluding parts of the vignette, suggestions for moral climate intervention are given in order to arrive at a more consistent and contingent image of an organization that really wants to be a high quality organization. The data are collected through desk research, document analysis, and through participant observation (participant-as-observer) and analysis of everyday communication on the shop floor during several months and are for the greater part recollected in retrospective. The idea is that actual concrete practices are only accessible through (participant) observation (Flick, 2006, 215, 216). Jorgensen (1989, 13-14) mentions seven features of participant observation, including:

- a special interest in human meaning and interaction as viewed from the perspective of people who are insiders or members of particular situations and setting;
- locations in the here and now of everyday life situations and settings as the foundation of inquiry and method;
- a form of theory and theorizing stressing interpretation and understanding of human existence;
- a logic and process of inquiry that is open-ended, flexible, opportunistic, and requires constant redefinition of what is problematic, based on facts gathered in concrete settings of human existence;
- an in-depth, qualitative, case study approach and design;
- the performance of a participant role involving establishing and maintaining relationships with natives in the field;
- the use of direct observation along with other methods of gathering information.

In the present research, all features were present, though because of the retrospective character of the research, a specific, preconceived design was lacking.
Identity of persons, firm details, and local circumstances are disguised in order to make persons, situations, and the organization unrecognizable. Furthermore, the description of situations and circumstances was actualized and completed by adding some details, some of them borrowed from similar organizations, some freely found. Therefore, the vignette below can be considered as a reconstruction with sound and solid roots in reality. However, the vignette is not a case study in its proper meanings. This vignette is not a report of theory construction but rather an elaborated example to illustrate the theoretical and practical merits of the moral climate concept as developed in the present study, as an answer to Ragin's (1992, 6) question, "What is this case a case of?" (1992, 6). Nevertheless, the description shows many characteristics of a case study. In this section, I will give additional suggestions for how this vignette could have been upgraded to a qualified case study from a holistic, integrative perspective, including spatial, cultural, historical, social, psychological, and economic dimensions (Baarda et al, 2005, 120; Titscher et al, 2000, 44-45; Yin, 1984; 1989).

In general, a case study is a research strategy, a mode of organizing data (and the result of that research, a case report) in which only one example (an instance or manifestation) of a social phenomenon or an issue (as a complex, situated, problematic state of affairs) specific to time and place, considered as a bounded system consisting of elements with patterned behavior and processes with a specific function or goals to be reached, is studied intensively under normal

everyday conditions, while investigating within-case relations (sufficient, necessary, deterministic, or probabilistic) between variables in order to preserve the intertwining character of variables in their rich complexity (Baarda et al, 2005, 113, 118-119; Dul & Hak, 2008, 189-191; Goode & Hatt, 1952, 339; Hutjes & Van Buuren, 1992, 15; Ragin, 1992, 2; Stake, 2000, 436, 440). Case studies can be used in both practice- oriented and theory-oriented research (exploration, theory-building and theory-testing), contributing to the knowledge of one or more specified practitioners or theory development, respectively. Of course, ultimately, theory may be useful for practice in general (Dul & Hak, 2008, 31, 38). The insights stemming from vignette presented below may be relevant both theoretically and practically, as will be indicated. For the most part, case studies have instrumental value, meant to provide insight in a phenomenon or to resolve an issue (Stake, 2000, 437). For proper understanding: case studies should not be equated with qualitative research; case studies can also be carried out using quantitative methods; it is rather a choice of what is to be studied (Ragin, 1992, 4; Stake, 2000, 435; Yin, 1989, 24).

In the vignette presented below, the emphasis is theory-oriented. However, for illustrative purposes, a practice-oriented advice is formulated. Instead of focusing on a specific organization in all of its features, one organization with a specific quality-related issue as the unit of analysis has been examined for its moral climate profile(s) in its natural environment over a period of time in which data are collected from several sources (including document analysis, participant observation, interviews with key informants, according to the principle of methodological triangulation discussed in chapter 2, note 25). The aim is to arrive at a detailed description of a variety of variables in order to explain static phenomena as well as dynamical processes, and to test descriptions and explanations of actual behavior and its backgrounds against the descriptions and explanations given by the people investigated. The rationale of examining a phenomenon in its natural surroundings is that the phenomenon is hard to isolate from its surroundings. This means that the relevant features of the case need to be discovered yet and that time lags can be used to examine the effects of variables on the long run. Furthermore, descriptions, explanations, and interpretations can be discussed with those investigated in processes of sense making, through members' check in order to arrive at democratic validity (Anderson & Herr, 1999, 16l; Hutjes & Van Buuren, 1992, 23, 57; Swanborn, 1996, 13, 14, 17, 22, 24, 25, 26, 107-108; Titscher et al, 2000, 43-45).

According to Swanborn (1996, 27), the holistic nature of a case study is often illusionary. Since no researcher can examine everything, selections will be inevitable up to the point of saturation, if possible based on criteria of relevance derived from the initial amazement. Of course, premature selection and too simple models need to be avoided, and criteria shift because of interaction with respondents and informants should not be excluded. In sum, a case study is a research strategy, consisting of problem formulation, construction of a research design, formulation of hypotheses, data collection, construction of a conceptual model, analysis of results, and writing reports (Dul & Hak, 2008, 268-274; Hutjes & Van Buuren, 1992, 29; Yin, 1984, 29).

The collection of data described in the vignette shows a remarkable lapse of time between its

two parts. The participative observation part occurred about thirty years ago when I was working in the organization described below. During that period, there was the issue of product quality and employees who were not committed to quality in a mill with a centuries-old good reputation at home and abroad. There were many discussions in everyday conversation among employees about why not delivering quality according to the standards. The contents of these discussions were reported in retrospective, at the risk of memory bias and frivolous jumping to conclusions. However, these discussions then appeared to have a deep and vivid impact, making it not hard to remember circumstances in appropriate detail. When I became a lecturer in business ethics, a vignette based on these earlier experiences was easily reconstructed, to be completed with additional desk research from the same organization, compared with information collected from two of its main competitors. In this second part, moral climate theory was then used as conceptual model to look beyond and explain the initial phenomena. Although the vignette was not constructed by order of a research or advice assignment, the later part of the vignette was written as if it was so, in order to demonstrate the practical use of moral climate theory.

The development of the problem formulation can be described as the shift from the initial personal amazement concerning "why poor quality?" to "(how) can moral climate theory explain poor quality and improve commitment to quality in order to survive?" This development of problem formulation - from a broad indication of the issue, via global questions and precise questions to research hypotheses (Swanborn, 1991, 60-70) - is characteristic to case studies, as are the development of explanatory concepts, and the iterative nature of the steps of the research process (Eisenhardt, 1989, 533; Hutjes & Van Buuren, 1992, 32-33). In retrospective, the initial amazement is turned into an elaborated theoretically underpinned policy plan.

Vignette *"The Crowned Everyman",* or fresh cakes and cookies, old hat, and beyond

In this vignette[123], a detailed description is given from a cake and biscuits mill suffering from ill-committed employees and low quality. The description is followed by a detailed analysis using insights from moral climate theory as well as suggestions for improvement and development concerning the research approach chosen.

1. Presentation of the firm

"In De Gekroonde Allemansgadinghe" (translated as *"The Crowned Everyman")* is a very old and renowned Dutch cake and biscuits mill established way back in the fifteenth century. The mill is located in the small hanseatic town of Bingerden with its picturesque village green and sixteenth and seventeenth looks. In its current format, the firm exists since the Twenties of the last century when it evaluated from a traditional bakery into a more or less modern plant. In this plant, all sorts of cakes, biscuits, cookies, and specialties are baked, including ginger cake and gingerbread, and the world-famous Bingerden cake (baked according to fifteenth century magistral recipes).

According to the website, the mission of *"The Crowned Everyman"* is

> *"pursuing profitable and innovative business by operating as an important producer and distributor in the market sectors ginger bread and specials cakes, both under private label and generic brand, for regional, national, and international potential markets".*

Since the Seventies, *"The Crowned Everyman"* is part of 'European Bakeries', an international concern, and operates as a result oriented unit with a lot of space for its own strategic, tactic, and operational management because of its special (as long as it is profitable, of course). Other units of 'European bakeries' produce round and oblong rusks, bread surrogates (such as crackers and rice wafers), toast, breadsticks, and regional varieties of cake (such as the famous 'Luttumer Stokkoek', the highly acclaimed 'Borgumer Pruttelkouke', as well as the well-known 'Vaalser Bergjes'). There is no recent information about the trading results (market share, turnover, profit, and dividend), though local newspapers report of ongoing difficulties concerning the viability of *"The Crowned Everyman"*.

2. Products and customers

About 80% of the production consists of ginger bread, baked in a variety of standards and prices for a diversity of buyers (including retailers such as Albert Heijn, Super de Boer, and Groenwoudt Supermarkets, according to fixed contracts). Ginger bread is baked in previously fixed amounts in order to prevent large warehouse stocks, for a stable market. A juicy detail is that it in many cases the same type of ginger bread is sold both as grade A product and under generic label of the grocer concerned, yet at different prices. The principal competitors in this market sector and market leader are Peijnenburg and Bolletje (at least, this is what they report about themselves, as is notified on their websites, www.bolletje.nl and www.peijnenburg.nl). These players have a broader assortment (more types of products) as well as a deeper assortment (more variety within types).

For new players it proves hard to gain access to this market. Despite expensive promotion campaigns, both German ginger bread giant Bahlsen and Scottish baker McVitties did not succeed in conquering a profitable market share. Marketing research revealed that this had nothing to do with quality or preference for taste. Instead, it was partly due to Dutch consumers' brand loyalty, and for a greater part caused by the actions of Dutch cake producers. Conquering markets is costly, and Dutch producers responded by jointly cutting prices temporarily and savings campaigns (as part of their tacit agreement to fix prices). Very often, this is an efficacious remedy against newcomers.

The remaining 20% of the assortment consists of specialties: ginger cake, spiced ginger bread, fruitcake, candy cake, and of course, the unsurpassed Bingerden Cake. The specialties are for luxury confectionaries and export. Especially for the British market, several products are sold under the initial Dutch brand name *"De Gekroonde Allemansgadinghe",* including coconut macaroons, all-butter biscuits, almond biscuits, and short biscuits, in relatively small amounts at high prices, with a small and decreasing market share, according to insiders due to the brute fact that the British have difficulties pronouncing the brand name properly. The proceeds are few, and hardly cost-effective.

The Bingerden Cake is a story on its own. Bingerden is renown from times immemorial as, among other names, the Cake Town. Ever since the fifteenth century in Bingerden, there were several bakeries each having an own method of preparation as varieties of the Bingerden Cake.

Beware of imitations! Besides *"The Crowned Everyman",* Klopman, Baerselman and Coelingh were brand names renown from way back. Nowadays, *"The Crowned Everyman"* is the only remaining bakery in Bingerden and has apart from its core business its share in promoting tourism in Bingerden. On the picturesque village green, the so-called Bingerden cake shop is situated. It sells all sorts of gift-wrapped Bingerden cake and offers the opportunity to taste the Bingerden cake over a cup of coffee or tea, or soft drinks. Furthermore, *"The Crowned Everyman"* helps promoting the town of Bingerden on the International Hanseatic Days, held every year in one of the participating members of the renewed Hanseatic League, the New Hanse, established in the Dutch city of Zwolle in 1980. This new union of towns that belonged to the casual medieval league (the Hanse) is nowadays the largest voluntary union of associated towns in the world. The idea of the International Hanseatic Days is the keep the hanseatic spirit of the vivid, to develop the self-consciousness of European towns, and to promote cooperation. Since 1990, there is a special attention for those hanseatic towns that are situated in the former Eastern Bloc (DDR, Poland, Latvia, Lithuania, and Estonia).

3. Baking and packing up cakes and cookies

Baking cake is a rather uncomplicated business. When the dough is ready, it is spread over large baking sheets and put into the oven. As soon as the cake is ready and has cooled down, it is put with the baking sheets on large trolleys and brought to the packing up department. By baking sheet, the cake is put on the assembly line, cut, labeled, sealed, put into boxes and taken to the storehouse. In case of specialties, the business processes are much alike. The recipes are different, the numbers are smaller, and special cake cannot be cut but needs to 'broken' with one's hands. Employees become a bit sticky, but labeling, sealing, and packing up proceeds just the way ginger cake is packed up. Because of the smaller numbers and different sizes, machines need to be reset quit often.

The about hundred employees are allocated among several departments:

- bakery department (20) (bakers' education)
- packing up department (40) (unskilled labor)
- sales and marketing department(8)
- technical department (8) (including maintenance mechanics and servicemen)
- shipping department (11)
- administrative department (12)

Each depart has a department manager, while since about a half year there is a HRM officer, Mrs. Punselie, housed in the office of the administrative department. Department managers meet on a regularly basis in a variety of project teams. An important character in this vignette is Mr. Kiekertack, the manager of the packing department.

Among the top management and the works council, a pretty form of cooperation exists. The website suggests a pleasant organizational culture (either existing or pursued):

> "Bakery *"The Crowned Everyman"* wishes to be a company in which employees like to work and stay working. Well-motivated and committed employees deliver the best work, after all. That is why we invest in our employees and are looking continuously for ways to make them perform optimally. Therefore, we take care of excellent working conditions in accordance with the market, clear communication, and a pretty work climate. Training and development, safe and

hygienic working conditions are important elements to bring about commitment.
We have a modern HRM policy featured by

- ownership and responsibility
- stimulating commitment by offering constantly new challenges
- permanent staff development, because our products ask for continuous improvement.

The culture of organization can be described as output oriented, informal, and open with a no-nonsense mentality. Our 'down-to-earth' policy offers employees room to accept challenges in a pretty, collegial work climate."

So far for the theory as represented by *public* transcripts. But how are employees really dwelling and what do the *hidden* transcripts teach us?[124]

The bakers are accurate workers. It is their conviction that consumers have a right to good products, that is, traditionally prepared, well-balanced and tasteful cakes and cookies. They consider themselves as semi-artists who, aided by relatively modern technology, get qualitatively high-grade and outstanding products out of their ovens. At times, they take their chances with a type of cake or a variation in taste. Their commitment is high, as is their job satisfaction; turnover rates are low; sickness absence rates are acceptable (3.9%). The packing up department is quite another piece of cake when looking at the work content and the way employees undergo and experience their working conditions. Working at an assembly line (three production lines, one for ginger bread and two for specialties and cookies) is rather simple, monotonous, and therefore, boring. The main activities are putting cake on the assembly line, breaking cake, putting labels on the cake, control of sealing, packing up in cardboard boxes, and taking them to the storehouse. Different positions at the assembly can be alternately taken by means of job rotation. However, job rotation is not very popular (as conversation #6 below shows). Job descriptions describe few and simple tasks with few possibilities for regulation. The mainly unskilled employees are of both autochthon and immigrant origin. Turnover rates are high, commitment to quality and fellow workers is low, job motivation is mainly extrinsic, and sickness absence rates are rather high (10.2%).

Nine workplace conversations

According to Chia (2007, 517), discourse constitutes or social world. To discourse is to run to and fro and in that process to create a path, a course, a pattern of regularities out of which human action can be more fixed, secure, and workable. Discourse is first and fundamentally the organizing of social reality. Therefore, Chia claims, organizational analysis intrinsically is discourse analysis. However, for proper understanding, this claim needs to be expended with an emphasis on the structuring impact of context, in terms of hegemony, power, constraints, and politics. Discourses are generative mechanisms or structures that can only be known through their contingent effects within particular socio-historical contexts (Reed, 2007, 527-529). In order to illustrate these claims, part of this vignette consists of retrospectively reconstructed yet faithful accounts of everyday conversations that have been recorded from the shop floor in the packing department. These cases were selected and arranged thematically (Hutjes & Van Buuren, 1992, 106-110). They were selected for being representative (not casual incidents), typical, and well stated. Furthermore, these cases cover a variety of issues. However, depending on the criteria and categories for classification, other arrangements are possible. The themes arranged

include *violation of quality rules* (#1, #2, #3, #4), *employee self-interest* (#5, #6, #9), *lack of commitment to the firm and its brand reputation* (#7, #8), *a lack of respect for the firm's properties* (#8, #9), and all be considered as offstage, hidden transcripts (Scott, 1990, 4-5) that will probably stay unnoticed in common survey approaches. Though different in their superficial contents, from a more remote distance, these workplace conversations all have the same tragedic plot/theme[125] in common, that of an organization not meeting its self-imposed quality norms (Abbott, 1992, 64-66; Boje, 2001, 108-137). It should be noted, that these work place conversations show an expansion of the initial problem formulation - lack of quality - to poor worker commitment and subversive activities that is reflected in the shift of problem formulation (from lack of quality to moral climate as an explanatory variable).

Conversation #1

One day, three baking sheets full of cakes delivered from the bakery turned out to be too tough. Apparently, these sheets have passed the quality control without further notion, or where leftovers from yesterday. Dick, who task it is to put the cakes from the trolley upon the assembly line, was asked to return the cake to the bakery for reexamination. Dick said he would not do so, "because this is not my task". He said, "The quality controller should have been take care better. Now it is too late to stop the production process". "But what about the customer?", Dick was asked. He replied: "I don't care, the customer may grow strong jaws, huh huh".

Conversation #2

Emily, who also works on the assembly line, notes that the sealing machine does not seal appropriately. She was asked why she did not stop the assembly line and warn Kiekertack or the technical department. Emily answered, "Kiekertack does not want me to do so. He says I am nagging. I don't like to argue with him. He won't listen anyway". "But what about the customer?", Emily was asked. "Well", she replied, "bad luck for the customer, but he can return the cake to the supermarket anyway".

Conversation #3

Juan, who is a graduated Bolivian student of the Bingerden Tropical Agricultural College earning some money before returning to Cochabamba, is one the few employees feeling annoyed when coworkers cut corners and disregard quality regulations. He watches pieces of fruitcake falling down on the floor down from the assembly line and notices Benny, a coworker, wiping some dirt of the fruitcake and put it back on the assembly line. He asks Benny why he does so, and why he does not adhere to the regulation that cake that has fallen on the ground, must be put in the bin with leftovers for the pigs of the hog farmer next door. "C'mon", said Benny, "You better mind your own business. I cleaned the cake anyway so the customers won't notice". He also says, "Kiekertack does not like full waste bins because these are lost income, and you'd better listen to him to avoid trouble".

Conversation #4

One day, to be specific, July 1st, Justus, being a student doing a vacation job, discovered in the stockroom a forgotten pallet full of packets of cookies with a best before June 24th date. Justus asked Kiekertack what he should do with his discovery. Being decisive, Kiekertack ordered Justus to

put new stickers on the packets, with a best before November 30 date as well as a new price (with a €0.20 price increase). Justus (having tasted the cookies and found them musty, in fact not suitable for human consumption), refused while giving his reasons, the most important of which sincerely refer to the regulations of the Food and Drug Administration and to wishing to deceive customers because they have a right to good products.
On his turn, Kiekertack - being unfamiliar with objections - dressed-down Justus while ordering another employee to carry out the job, recognizing that firing Justus is not done in the Dutch situation. Moreover, Justus only reminded Kiekertack of the quality strategy that has made the company famous. However, as Kiekertack replied with a shrug, "This strategy is just a marketing tool. In reality, we have to sell everything that can be sold. The customers? They won't die for eating these cookies, off you go!"

Conversation #5
Marius, who is in charge of one of the stockrooms, is suggested to arrange his stockroom to get a better overview, to prevent parties to get lost, to give a more neat impression, and to offer better opportunities for cleaning up the place. "No", Marius said, "I think this a rather bad idea, it is rather time-consuming to rearrange the stockroom, and why should I do this anyway? Kiekertack has the idea that I am rather busy running up and down the stockroom. He may give me additional tasks once the stockroom has been rearranged. Let me please do it my way".

Conversation #6
One day, one of the workers suggests changing places on the assembly as an elementary form of job rotation (or actually, task rotation). Ann, who has the task to put labels on slices of cake, does not take up the gentle invitation. Instead, she says, "I am afraid this is task too difficult to do without proper preparation. You need special skills. Not everybody is able to do this correctly".
"But Ann", her coworker replied, "You are allowed than to do other tasks as well. Would that be nice, a little bit of variation?" "Please no", said Ann, "I hate putting cakes into boxes and I am not good at it. Let me do the labels; that is my job and let me daydream meanwhile".

Conversation #7
One day during lunch break, Juan and Justus, who liked working together, discussed the ongoing in the packing department. More in particular, they expressed their amazement. "Is there really no other way to run the packing department than Kiekertack did by barking around?" The relation between the manager and his subordinates could be labeled in no other terms than hostile and distrustful. Justus explained Juan that the company was over four hundred years old and had a very good reputation during ages past. As Juan put it, "Where has the pride gone? Where is the glory of working in a mill with renowned products send to all parts of the world (except perhaps Bolivia and Paraguay)? What happened to the self-esteem of the employees?"

Conversation #8
When assembly lines are brought to a standstill, because of technical malfunction or simply because there is no supply of cake from the bakery, employees devote themselves to a very popular activity, cake fights. From behind their assembly lines, workers throw pieces of cake at each other while cheering whenever a member of the opposite party got a direct hit.
One day, employees were asked why they conducted these fights. They answered, "Well just for fun

and to divert ourselves, and the cake is going to be thrown away anyway". These cake fights can be considered as a nonverbal vehicle of subversive communication, necessary to relieve tension and to express some subtle solidarity, despite the element of competition. These cake fights never took place in the presence of Kiekertack. However, when he was not there, and the assembly lines were out of function temporarily, workers broke free to lose themselves in the cake fights, as an illustration of the old proverb "when the cat's away the mice will play".

Conversation #9

Employees can order products of *"The Crowned Everyman"* at reduced prices, once a week. However, only few employees use this opportunity to get access to fair priced dainties. Every day, they let thousands of all sorts of cakes and cookies pass through their hands. Employees simply take home what they think they need. July, who seems to run her own trade in cakes and cookies, was asked what the difference is between her actions and plain theft. July's answer is quite simply. "This definitely is no theft. The company is exploiting me, and this is my turn to get even".

The technical department has not always something to attend to, though some machines are in bad repair. Mechanics have more to do with resetting machines due to the variety of cakes and cookies and make complaints about Kiekertack, the manager of the packing up department for not being able to do minor repairs and adjustments himself. This has resulted in a strained relationship between Kiekertack and Klotterbooke, chief of the technical department. As he says, because of the reluctance of Kiekertack, production lines may be out of order unnecessarily long.

The sales and marketing department are prompted by successes from the past and do not have a keen eye for product innovation. New recipes designed by the bakers are laughed away because it may compel the sales and marketing department to initiate promotion campaigns. They fail to learn their lessons from the advertising activities of their competitors Bolletje and Peijnenburg and probably have not taken a good look at their websites to borrow ideas for so-called me-too products. Ten Hompel, the manager of the sales and marketing department is quite not a paragon of a booster of innovation. Neither is Taas Daamde, the manager of the bakery, who is more like a baker among the bakers than a real manager.

Nevertheless, at times the work climate can be labeled in terms of typical Dutch terms as "gezellig" and "gemoedelijk" (inadequately translated as "nice", "agreeable", "pleasant", and "easy-going").
In the packing up department, the pace of work is not always particular high, and in case of trouble and adjustments, an entire package line has come to a standstill and people are killing time by keeping cake fights, telling jokes, or simply doing nothing at all.
The administrative department cherishes a pleasant atmosphere, with endless chatting and in times not too busy, the ladies are knitting cheerfully. However, until about a year, *'The Crowned Everyman"* turned out to be dropping stitches concerning other issues, as was recorded in the local newspaper in guarded terms.

4. Dark clouds on the horizon

In *"The Crowned Everyman",* profit rates are dropping because of decreasing demands. Top management of European Bakeries has warned De Bree, the plant manager of "The Crowned Everyman", and ordered him to take care of better results. For instance, supermarket giant Albert Heijn has announced to look for other bakeries delivering better quality for sharper prices. Overall, the quality strategy proudly announced on the website does not seem to work. Therefore, De Bree directed Kiekertack, the German originated ('don't mention the war') manager of the packing department to setting things right. Quality is still considered important, but profit rates are even more. Kiekertack favors a way of running his department in much leaner terms, to be recognized in number of actions (accepted gnashing by Taas Daamde, who could not match Kiekertack):

- leftovers are no longer removed as cattle cake; instead they are recycled by adding honey, water, and shredded orange peel and returned to the bakery as "fresh dough", much against the opinion of the bakers;
- cake that has fallen on the ground does not become pig feed, but must be picked up and packed while on its way to the consumer (as in conversation #3);
- hygiene is poor and even sub-standard (leading to a reprimand of the Food and Drug Administration);
- expiry dates are no longer sacrosanct and subject to fiddling based on the informal rule to sell everything that at first glance looks consumable (as in conversations #1 and #4) (leading to retailer complaints).

However, there is more to it. On the packing department, one has to work again, and hard, if possible. Job rotation has been brought back to only two or three rotations a day ("It looks like musical chairs around here, potztausend", according to Kiekertack). There is no longer a climate allowing consultation. Instead, Kiekertack sighs, "Typically Dutch, all this talking, let me give the orders". Staff facilities have been reduced. There is no longer free tea or coffee during lunch breaks, and the settlement that employees can purchase cake and cookies against friendly prices is reversed ("Kuchen kann man ja ook im Winkel kaufen, oder wie sagt man dat", typically a Berliner, as it seems).

The celebration of the feast of St Nicholas ("Sinterklaasfeest") for children of employees has been scrapped.

Furthermore, workings hours and lunch breaks are observed closely with a new time registration system. Coming too late and leaving too early is punished with withholding wages, no matter the cause. When Kiekertack is present, employees tremble with fear. However, when he is not there, the former pleasantness is back. Some workers remember their attachment to the company from days passed, other workers discuss their chances in the world out there or consider reporting themselves sick.

De Bree, the plant manager, looks upon the situation with sorrow, whereas Mrs. Punselie does not know what to do. Though she has been hired to solve HRM issues on a state of the art basis, clearly, she is not taken seriously by Kiekertack who treats her as a drudge ("women cannot run a mill"). Instead, she discusses the matter informally with Ten Hompel and Klotterbooke, the managers of the technical department and the sales and marketing department. The question is,

whether the road to cost reduction is a good avenue matching the image of quality of the company. Of course, Ten Hompel has his strong moments. He is very much aware of the reputation of the famous Bingerden Cake – it is a delicacy –, but he recognizes also its snug appearance, if only because of its out-dated wrapping paper, not the mention the company's brand name. Therefore, the golden idea crossed the mind of Ten Hompel of hiring an advertising agency to update the corporate image, for instance by selecting a more attracting brand name.

5. Scenarios

Considered well, through the conversations of Taas Daamde, Ten Hompel, Klotterbooke, Kiekertack and Punselie (of which no recordings were available), four scenarios are imaginable that need reflecting considering their feasibility, and implications for the work force.
Staying the course of cost reduction strategy is possible but demands rigorous automation and computerization of the baking and packing processes. How this works out, has Klotterbooke been watching during one of his visits to Peijnenburg. For the bakers, this has far-reaching consequences for the bakers, hard to accept for Taas Daamde. They hardly will get into touch with ingredients and cake anymore while following the baking processes on a computer screen, from making the production list, through weighing and adding raw produce, dosage of water, kneading and converting dough, decorating, after rising, baking, and unloading. With special computer programs, they can make any cake variety with a few mouse clicks. Taas Daamde can imagine with ease what this would look like. However, due to this automated way of producing, the bakers need not know themselves anymore how to make several types of cake and cookies. For the moment, computerized cake is not a miracle of perfection. Machines do not always give correct information about the baking process because machines are not able to judge the power of rising yeast of the color, texture, and firmness of cake and cookies. Much will go wrong and more than ever, the leftover bins will be full of wastrels. Even worse, these wastrels go straight to consumers without any quality control, with all possible consequences. New school bakers can correct mistakes while looking at the computer screen, but cannot repair machines, and, worst of all, cannot bake cake and cookies 'with their hands' anymore. The question is how this form of computerization affects the professional identity of the bakers. Mrs. Punselie suggests that first of all the romanticism of traditional baking will disappear, and subsequently the bakers themselves. Their place will be taken by workers able in handling simple computer programs but with no professional commitment to baking quality products.

The second scenario can best be described in terms of quality and craftsmanship. It can be questioned, whether Kiekertack is the manager matching this strategy. Ten Hompel and Taas Daamde favor this scenario, it means carrying on in the same old way, and you do not have to invent a new brand name, rather not, if possible. Quality may be expensive, but is also demanding concerning employees, especially in the packing department, where the true dedication to workmanship seems to be lacking and has not been stimulated in the past period. Klotterbooke and Punselie agree that the negative consequences of far-reaching computerization will not come off. It should be doubted, whether top management of European bakeries will be happy with this scenario. However, perhaps it is possible to sell quality products in the more

than hundred towns that are part of the New Hanse, thus practicing the hanseatic idea and ideal.

The third scenario aims at broadening and deepening the assortment and product innovation (for instance, five new products each year, related to customer groups). In this scenario, Ten Hompel and his selling and marketing team are on the ball, supported by Taas Daamde. What do consumers wish and how can we find out? Some benchmarking can be considered, first of all by turning to the websites of competitors (for instance, Bolletje and Peijnenburg) and learn from it. Which new products have they been developing recently and which have proven to be successful on the market? Which were the marketing fiasco's and why? Subsequently, it can be considered which products "The Crowned Everyman" can fabricate from the perspective of the "me too" idea (snacks, Bingerden cake filled with almond paste, carved up cake, low fat cookies, you name it), promote these products through appealing advertising campaigns, and wrap them in non-breakage and reclosable wrapping paper, with aroma filters in order that customer can smell the cake, and in solid trays. The question is what this demands concerning production processes, the layout of the organization, and employee skills and attitudes.

The final scenario - closing down the factory - is not very obvious. The local council of Bingerden will not be happy with a dying organization scenario (Sutton, 1983; Harris & Sutton, 1986), since they lose unique products to promote tourism in Bingerden. Perhaps, the local council rather likes the idea of keeping "The Crowned Everyman" upright with subsidies in a much slimmed down artisan form.

6. Discussion

In a thin description, the moral climate of *"The Crowned Everyman"* can be identified rather easily. When taking the entire organization as the level of analysis, it can be concluded that a variety of moral climates exists across departments (**HE3a**). When focusing on single departments, the following picture emerges (some of its elements derived from participant observation and from the conversations, while some others are educated estimates that may function as hypotheses in subsequent research):

- In the *bakery*, a moral climate profile can be identified that consists of Stage 3/4 company climate and Stage 4 community climate expectations considering moral reasoning and acting. One the one hand, there is a strong commitment to the company, insofar as bakers manifest themselves as committed company men with high rates of job satisfaction (**HPE2**). One the other hand, there is also a commitment to societal rules concerning hygiene rules and concerning care for anonymous consumers who may claim good products. In this sense, the moral climate profile is weak, because of its heterogeneous composition, with an unclear role of Taas Daamde, the manager of the bakery.

- In the *administration department*, the moral climate profile appears to be more unequivocally Stage 3 inclusion climate (of the mixed type, with teleological arguments emphasizing group interests and deontological arguments stressing informal group rules). No explicit references are made to Stage 3/4 or Stage 4 moral reasoning, making the

inclusion climate a rather strong moral climate. There is no information about leadership style.

- The *packing department* can be described in terms of Stage 2 exchange climate with a tendency of sliding down to a Stage 1 climate for punishment, due to the actions of Kiekertack. At times, there may glimpses of Stage 3 inclusion climate, but not in a convincing manner. Employees mostly go for themselves showing no real commitment to fellow workers (as the conversations demonstrate). Job satisfaction is low; turnover rates are high, as is absenteeism (**HPE3**). In fact, Juan and Justus are strangers in their midst - though not an informal clique -, while using Stage 4 arguments (of the deontological type) no one appreciates or even tries to understand. Even worse, the tendency of sliding down demonstrates the deep impact of leadership (**HLS1; HLS3; HLS4**). The actual practice reveals prevalent unethical behavior (production deviance, property deviance, personal aggression) (**HUB1**).
  However, a low level of moral performance does not imply a low moral competence. In a replication, employee moral competence could be determined more precisely, for instance by discussing ethical vignettes and scoring the answers.

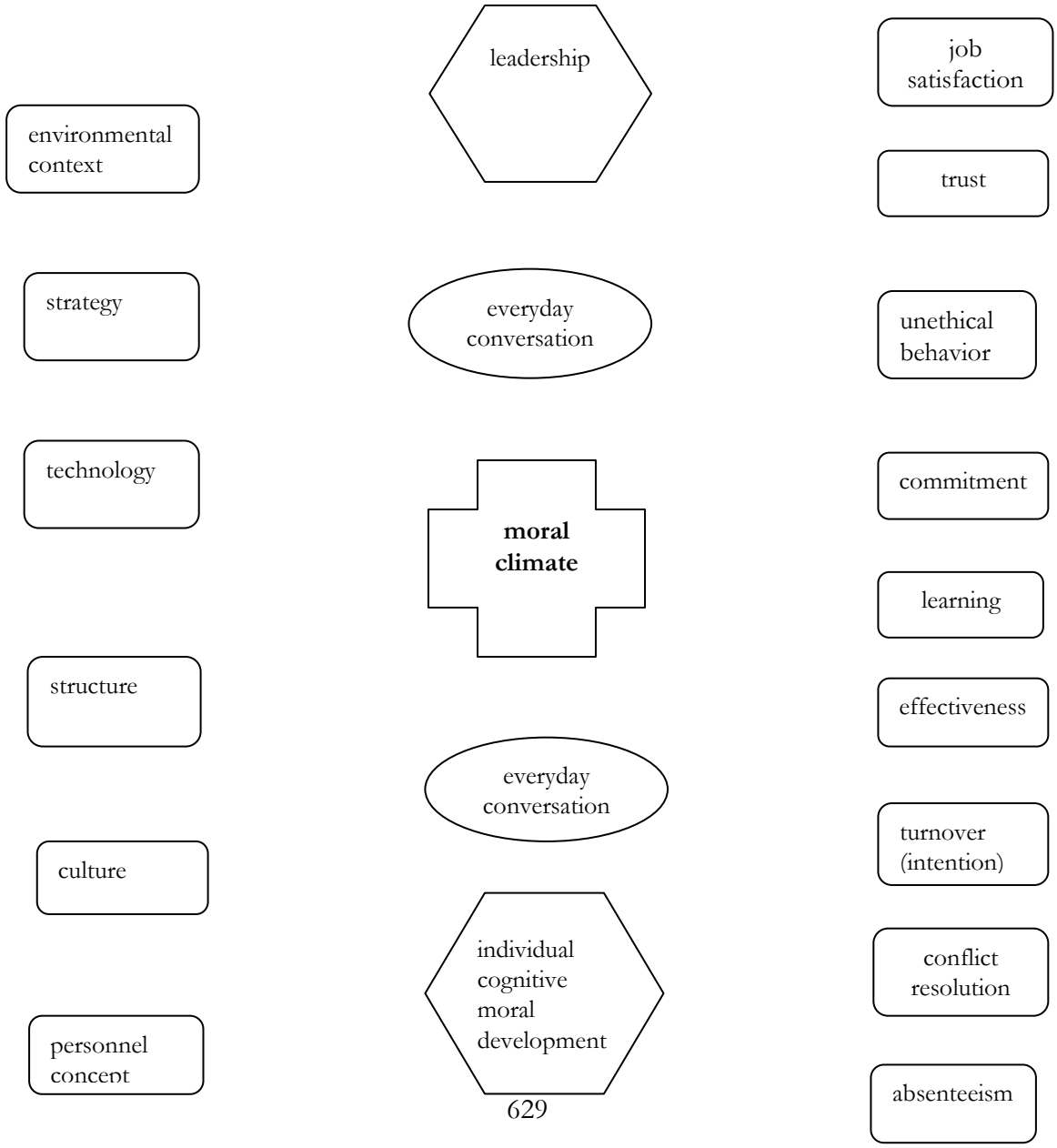
- The moral climate profile of the *technical department* is the hardest one to identify. This is partly due to lack of information, partly because this department consists of employees that work together in a loosely coupled way. However, the impression exists that the moral profile of this department is a blend of Stage 3 inclusion climate and Stage 3/4 company climate expectations.

- The *selling and marketing department* moral climate profile can be identified in terms of what it is not. The department can best be described as being not alert (dozed off, taking things too easily, and inner-oriented) while lacking the entrepreneurial spirit that a selling and marketing department should feature. This resembles a Stage 3 inclusion climate at first sight. However, when giving the members of the department proper stimuli, a latent Stage 3/4 company climate may emerge. On the other hand, if these employees cannot adopt the organizational perspective of moral reasoning, they best can be replaced by new employees who are able and willing to do so.

- Finally, the moral climate among *top management* can be identified in terms of Stage 3/4 company climate (of the teleological type emphasizing the interests of the organization), with little attention for societal aspects of producing and organizing. De Bree, the plant manager, manifests himself as a wavering, irresolute person, possibly due to the successes in the past and the firm's good reputation and steady turnover. Here too, the impact of manager's behavior becomes apparent. Most likely, De Bree is not the kind of plant manager that is able to lead the company out of the troubling situation.

In sum, a thin description offers a heterogeneous moral climate profile (**HE3a**). The most important conclusion concerns the large difference between the moral climate profiles of the

both departments constituting the operating core of the organization (Stage 2 exchange climate versus Stage 3/4 company/Stage 4 community climate).
However, such a thin description does not explain much, and cannot be explained either. This can only be done when other variables are included in the picture that connect moral climate profiles to other conceptual bodies of knowledge in line with the scientific criterion of connectivity (the auxiliary theories discussed in section 6.2, formulated into the hypotheses referred to in section 6.3 and in the present section).
In the explanation presented below, relations are specified with common constructs, including typologies of organizational environments, product life cycle, typology of organizational strategies, Mintzberg's theory of organizational configurations, the typology of organizational cultures of Harrison and Handy, leadership styles according to Hersey and Blanchard, and Senge's conception of learning organizations (including learning disabilities). In doing so, a thick description of the organization from the outside to the inside arises in terms of environmental concept, strategy concept, production concept, organization concept (in terms of structure, culture, and administrative processes, regulations and procedures), and personnel concept (as the actual and concrete manifestation of the moral climate rhizome).



In order to arrive at a thick description, the elements of the model represented above need to be fleshed out, at first by considering the antecedents of moral climate included in the left side of the model (taking moral climate as a dependent variable). Second, consequences of moral climate will be considered in terms of the parameters included in the right side of the model (taking moral climate as an independent variable. Discussed briefly is the way leadership style and stage of individual cognitive moral development can be considered as outcomes. Third, mediating variables (leadership style) and moderating variables (stage of individual cognitive moral development) are considered (the middle part).

(1) Moral climate as a dependent variable (the left side: antecedents)

The environmental conception should reckon with trends affecting moral climate including:
Demographical trends: proportional rising in the aging population (decrease in demand of certain products) as well as an increase of migrants.
Social trends: increasing demand for no sugar, low fat, or otherwise healthy products (though replacement of butter is no option in traditional recipes), and carved up products, including the 2009 trend: crackling and snapping of products in your mouth (Horecava Trendonderzoek, 2009, www.bakkerswereld.nl).
Technological trends: increase of automation and computerization (implying the end of craftsmanship?), including the use of the internet (buyers placing orders, ordering labels, checking prices of raw produce, customer information through newsletters).
Economical trends: effects of the economic recession and competition become fiercer. A potential treat could be the increasing prices of raw produce and the effects on prices.
Political-juridical trends: standards, such as BRC Global Standard (Food), and national and European legislation, including the possibility of fat tax and demands concerning traceability of (semi-finished) products from raw produce to finished article (General Food Law, EG 178/2002). In general, the examination of the quality of products will be stricter than before.
Other environmental parameters may be national culture and local work ethos. The question can be raised what the effects of international ownership and the influence of a German manager parachuted from the holding may be. Furthermore, the local work ethos may be a factor to take into consideration, as will be explained below. Finally, the effects of market conditions, in particular the actions of competitors, retailers (such as Albert Heijn), and organized customer groups should be observed closely (**HEC3**).
The strategic conception of the organization departs from a static image of the environment. There is a certain self-satisfied inward orientation while being myopic when looking at the world outside. The environment is considered as less diverse than it is in reality. Trends are not recognized in time, especially not the changing demands and desires of customers, more in particular of migrants (thus neglecting new chances on the market), leading to outmoded business concepts. From the perspective of the product life cycle, many products are the maturation stage or even in the saturation and decline stage, whereas new products are lacking (when compared to competitors who do present new products). Approved recipes from ages past may have been a competitive advantage, but the product has a corny image. The intention of being innovative is hard to recognize which may affect long-term contracts when there are no new products. Even worse are the strategic splits of the organization: cost reduction strategy one

the one hand and an innovative quality strategy on the other hand turning out to be nothing more than window-dressing. The mission formulated on the website is somewhat puffy and does not cover the daily routine. In sum, there is a weary image of the strategic orientation of the company. This double strategy explains the nasty position of Kiekertack and may provide us with some empathy considering the motives for his leadership behavior (**HS1**). He simply does not know where he is at. When looking at alternatives, a definite strategy should be chosen and all the elements of the organizations be brought in line with it (at least, from the perspective of strategic human resources management). The product conception is rather simple and regulative and does not match an innovative organization (**HPR2**). Assembly lines are not fit for rapid alterations in product specifications. Put in Mintzberg's terms, the structure conception resembles a machine bureaucracy with survivals of a simply structure as part of a larger divisionalized form (European Bakeries). The individual capacity for steering, regulating, and improvising is not very large, while introduction and socialization possibly teach newcomers the wrong ideas, attitudes, and behaviors. This all explains a Stage 2 exchange climate (**HPR1; HOS2a**). The culture conception can be described in terms of a role culture in the packing department, with strong influences of a power culture, due to the telling and directing style of leadership behavior as the specification of the centralistic line management administrative conception. In the bakery, apart from a role culture, elements of a person culture exist insofar as the bakers consider themselves as semi-artists developing new products and tastes. In terms of the model of Cameron and Quinn, the packing department shows a hierarchical culture, whereas a market culture would probably fit better with its emphasis on measuring customer preferences, improving productivity and quality, and creating partnerships. The company is too old to have its culture reflect the age of the founding of the firm. A family culture may have existed in those (very) old days, but should not be restored for not matching the present environment and its challenges (**HOC5**). Finally, the personnel conception in the packing department resembles most McGregor's type X employee and the HR policy shows a great propensity for the Michigan model of HR (**HP1**), with decreasing attention for proper personnel care (**HP3a**).

(2) Moral climate as an independent variable (the right side: consequences)

Organizational effectiveness can be promoted or hampered by the moral climate of the organization, or its formal and informal systems. The Stage 2 exchange climate was not quite a good guarantee for technical effectiveness (bad work), economic effectiveness (retailer claims due to certain forms of unethical behavior)), psychosocial effectiveness (low commitment, low levels of job satisfaction, high levels of actual and intended turnover), administrative effectiveness (laborious decision-making), and societal effectiveness (not delivering products that match customer wants and desires, thus threaten the organization's legitimacy and its license to operate). From this perspective, "*The Crowned Everyman"* may be losing legitimacy, and eventually, its license to operate (**HEP1b; HPE3**).

Job satisfaction may be low in a Stage 2 Exchange climate, especially to those who expect more of their working conditions and the relationships with their colleagues, and manifest itself through moral unhappiness and a lack of psychological well-being. In *"The Crowned Everyman",* this turned out to be the case. Especially the way Kiekertack directed his subordinates, and the reasons he provided for his behaviors ("If you work hard and obey me, I will not trouble you"),

did not promote job satisfaction (as could be demonstrated by using the Hackman and Oldham job characteristics model) (**HPE3**).

Commitment will be low in organizations or departments with a Stage 2 Exchange climate as compared to commitment in a Stage 3/4 Company climate. In "The Crowned Everyman", commitment was rather low in the packing department, though rather high in the bakery department (**HPE2; HPE3**).

Turnover (actual and intended) can also be effected by the organization's moral climate, especially if this moral climate is lower than the level of moral development of the employees. It could be heard on the shop floor frequently that looking for another job was an obvious course of action to those employees whose level of moral development apparently was beyond Stage 2. This could be heard frequently too among the bakers who felt that the moral climate of the bakery department was pushed downward (**HPE3**).

Absenteeism turned out to be significantly higher in the packing department as compared to the bakery. In the packing department, the threshold for employees to reporting themselves sick was considerably higher than it was in the baking department (**HPE2; HPE3**).

Unethical behavior correlated high with the Stage 2 Exchange climate on the department. Most frequently, employees were caught when stealing products, violating hygiene rules, or delivering bad work (using damaged labels, forgetting labels, using wrong labels, packing cakes improperly) (production deviance; property deviance). In the bakery department, no unethical behavior was observed, apart from frequently tasting products abundantly as a mild and (acceptable?) form of property deviance (**HUB1; HUB2; HUB4; HUB5**).

Trust turned out to be moderate to low in the packing department, with low levels of functional openness and self-disclosure. In the packing department, there was a general sense of indifference, and feelings unsafe, especially in the presence of Kiekertack. The baking department offered quit another image, exhibiting higher levels of trust, open communication of all sorts. The level of trust between the packing department and the baking department was rather low (**HT1; HT2, HT3; HT5**). There was no information available about the other departments.

Concerning conflict resolution, in the packing department conflicts with the manager were resolved by enforcing (top down), whereas in horizontal relations among the workforce conflicts were resolved by either avoiding or accommodating, as is characteristic for a Stage 1 climate for punishment. However, negotiation and seeking compromise was a current style of conflict resolution among the employees of the packing department, for instance when taking lunch breaks (**HCR1; HC2**). Conflicts within the baking department were accommodated while referring to the common interest of the brand name (**HCR4**). Information about conflict resolution in other departments is absent. It would have been interesting to know how conflict resolution has been taking place in the management team.

In *"The Crowned Everyman",* learning was no topic for conversation at all, apart from incidental single-loop learning. The way things were arranged prevented double-loop and triple-loop learning, in virtually all departments, except for the bakery, in which double-loop learning was prevalent, for instance in developing new recipes. A shared vision was absent, even in the bakery, despite the lofty wording on the website (**HL1; HL2; HL4, HL6**).

Leadership style may be influenced by the organization's moral climate, by means of feedback

mechanisms. When there is, for instance, a Stage 2 Exchange climate, managers can feel themselves invited to consider employees as functioning at a Stage 2 level of moral development and treat them accordingly (as was probably the case with Kiekertack, though it can be excluded that the autocratic style was authentic) (**HSL1; HSL2; HLS3; HSL4; HLS10**).

Individual moral behavior may be influenced by the organization's moral climate in the way it was originally meant by Kohlberg in his moral atmosphere theory. In "The Crowned Everyman", the employees of the packing department may experience the pressure conform to the Stage 2 Exchange climate, in order to realize their interests. Employees with a Stage 3 moral competence or higher may be morally unhappy because their level of moral development does not match the moral climate of the packing department (**HMD4**). Turning "The Crowned Everyman" into an organization with a quality strategy with a Stage 3/4 company may be difficult insofar as it is difficult to develop adults with a pre-conventional stage of moral development to conventional stages (**HMD2; HMD3**).

As was put forward earlier, the theoretical question is, whether these consequences of moral climate profiles are indeed consequences, or rather a defining characteristic of this moral climate profile. In many of the texts reviewed in this study, moral climate definitions appeared to be rather circular, from the perspective of thick descriptions. A Stage 1 climate for Punishment and a Stage 2 Exchange climate, almost as a matter of definition, always go along with low commitment, high turnover (intentions), low job satisfaction, high levels of unethical behavior, high rates of absenteeism, and poor effectiveness. Therefore, it can be concluded that considering moral climate as an independent variable, explains little and implies much. Considering moral climate as a dependent variable is more informative. Even more informative could be considering moral climate as a moderating or a mediating variable, explained below.

(3) Moral climate as a moderating/mediating variable

In chapter 2, the differences between moderating and mediating variables were specified. Whereas moderator variables specify when certain effects will hold, mediators speak to how or why such effects occur. From this perspective, moral climate may be a mediating variable between, for instance, strategic orientation and organizational effectiveness explaining the persistent lack of sense of quality among employees of *"The Crowned Everyman"*.
In addition, moral climate may be mediated or moderated by other parameters. Leadership style may be an essential mediating variable since only under the condition of an authoritarian leadership the suggested causal relationships will hold. Moderating variables may be the stage of individual moral competence of employees.

Now we have considered moral climate as a dependent and an independent variable, while discussing mediating and moderating variables as well, we can examine the empirical aspects, the evaluative aspects, and the interventional aspects concerning *"The Crowned Everyman"*.

- *Empirical aspects, evaluative, and interventional aspects*

No questionnaire was used, since there was no such thing as a Moral Climate Questionnaire at

that time. Desk research helped finding additional information, including formal communication of the firm's mission, strategy, and core values. Impressions derived from everyday conversation and organizational analysis from a distance (both in time and space) were the main input for the description of the moral climate of *"The Crowned Everyman"*

Concerning moral climate *evaluation*, from a developmental moral perspective, a Stage 2 exchange climate is not very high, and Stage1 climate for punishment is certainly not. Recognizing the fact that most adults exhibited conventional moral performance, this moral climate type was below their level and could have caused moral unhappiness, though the conversations showed that most workers seemed having resigned themselves to their fate. From a pragmatic contingency perspective, a Stage 2 exchange climate may go along with a cost reduction strategy, but does not match an innovative and quality strategy. To support this kind of strategy, *"The Crowned Everyman"* would be better off with a Stage 3/4 company climate (**HS2; HS3c**), if possible combined with the Stage 4 community climate elements already present in the bakery. A Stage 3 inclusion climate will not be supportive enough for this strategy because of the limited moral horizon of Stage 3, whereas a Stage 5 social-contract climate would not fit both employee level of moral development (**HMD1a**) and the tasks and assignments of the organization (leading to ineffectiveness according to **HEP1c**).

In retrospect, more can be said about moral climate *intervention*. Giving suggestions for improvement may often be given in consideration for having the opportunity of doing research (Hutjes & Van Buuren, 1992, 195). In case of *"The Crowned Everyman",* this is no real option due to the "undercover" aspects described. Nevertheless, suggestions can be given retrospectively for the sake of the vignette, along the lines from outside in, in terms of environmental, strategic, production, organizational, and personnel concepts. .

"The Crowned Everyone" exhibits a poor, self-satisfied concept of the environment, seemingly myopic and even unaware of what critical customers want (let alone of what they really need). A thorough analysis of customer demands and of competitor activities needs to be the first step. The second step should be formulating a delineated organizational strategy, instead of limping on several incompatible thoughts. An innovative quality strategy would be better than going ahead with a cost reduction strategy. At this point, some elements of a Stage 7 spiritual thinking may be useful when asking, "What kind of company do we really what to be?" and "How do we want to enrich the lives of our customers?" However, getting stuck in this kind of considerations may damage economic performance eventually (**HEP1c**).

The greater diversity of products (broader and deeper assortment) may lead to an internal diversification of the firm in distinct business units, each serving its own customer segment. This can only be accomplished by introducing a team-based organization with outcome responsibility for business unit teams. Further analysis should give a decisive answer about whether parts of the bakery and parts of the packing department should be integrated in to physically distinct units, while adapting assembly lines to rapid alterations in product specification. In other words, structural interventions are evitable in order for the company to survive. Production processes will need to be more regulated and protocollized while at the same time, individual capacity for steering, regulating, and improvising needs to be enlarged (**HPR1; HPR3; HPR4; HPR5; HOA1**). The introduction of a corporate code of ethics that is really observed will not cause

miracles, but can be a document expressing oneness, solidarity, and loyalty to the firm. Because of transition from a Stage 2 exchange climate to a Stage 3/4 company climate, a concept code should be transferred to the employees (transferring model), while giving them the opportunity to discuss in employee participation groups (using the clarification model).
A management character like Kiekertack will not match this way of organizing, unless miraculously he turns out to be able to perform other leadership styles and only has devoted himself to the autocratic leadership style out of contingent situational leadership considerations. Notably, he should perform the selling/guiding leadership style, if possible developed into a supporting/participating leadership style (**HSL5; HLS6; HSL7**), since this leadership styles are the most effective in conventional moral climates (Stage 3/4 company climate and Stage 4 community climate, respectively). A different leadership style will mediate a different culture, notably a role culture or even a task culture based on more general job descriptions. All elements of a power culture introduced by Kiekertack should be banished as soon as possible, since they do not fit an innovative qualitative strategy and a Stage 3/4 company climate (**HOC1; HOC2; HOC3b**). The Michigan Model like concept of personnel needs to be replaced with a more Harvard Model like approach, while paying more attention to personnel care and changing the focus from puppets to people (**HP1; HP2; HP3b**). The HR-issues (dominant themes for personnel management) can be formulated as:

- employees have the Stage 3/4 competence to support and implement an innovative quality strategy
- employees have the Stage 3/4 motivation and commitment to support and implement an innovative quality strategy.

To deal with these issues, several HR-instruments can be brought into action both a stage sensitive and developmental manner (HP4).

HR-issues / **HR-instruments**	**Stage 3/4 competence**	**Stage 3/4 motivation and commitment**
staff planning and allocation	*	*
recruitment and selection	*	*
introduction and socialization	-	*
performance appraisal	*	*
performance interview	*	*
job description and job evaluation	*	*
human resources development (training)	*	*
career planning/career development	?	?
management development	*	*
terms of employment	*	*
supplying information /"oracle" function	?	?
personnel care	-	*
employee participation	-	*
working conditions (including rewarding)	*	*
discharge and redundancy	*	*
individual guidance and coaching	?	?
mediation	-	-

These instruments are not equally important, at least not at the same moment, yet connected as much as possible. Therefore, they should be implemented in the correct order while considering the way they affect each other positively. When reorganizing the organization into a team-based organization, based on distinct business activities, *job descriptions* need to be adapted to the new tasks and assignments (that is, both enlarged and enriched). By implication, *job evaluation* may point out that working conditions (*rewarding*) need to be adapted, too. Concerning *staff planning* and *allocation*, it should be decided who is able to develop according to the new job descriptions and who is not. *Performance appraisal* (including assessment of potential) is an instrument to use in order to prevent arbitrariness and favoritism. New performance appraisal instruments may be necessary. Employees not revealing the required potential may be declared *redundant* and *dismissed*. In Dutch circumstances (labor legislation), this may not be as easy as in other countries. In the Netherlands, generally, people should get a chance to prove themselves, for instance by offering them *training* or *individual guidance*. *Human resources development* (for instance, training on the job) may be an instrument to enhance individual competences, motivation, and commitment of those employees showing talents but lacking skills. In case of capacity issues, new personnel needs to be *recruited and selected*, with the new criteria according to the job descriptions in mind. Probably, procedures for recruitment and selection need to be adapted, too. *Introduction and socialization* may be an instrument worth considering, not only for new workers (introduction into a Stage 3/4 company climate), but also for incumbent staff. General culture and everyday conversation should be accommodated to the level of Stage 3/4 company climate, for instance by discussing quality of products and production processes, while increasing openness for communication and feedback, observing protocols and codes of conduct, and discouraging cake fights (applying the clarification model). Using introduction and socialization as an instrument, optimizing collaboration can be attained by making employees acquainted in detail with the activities of other departments, notably the bakery and the packing department, to teach them to look beyond their own part of the total production process. *Employee participation* needs to developed and introduced in all departments, especially in the new units, in order to offer the opportunity for discussing work related issues. *Performance interviews* may not be the instrument to use for unskilled personnel at first sight, but it may be worth giving it a try, in the bakery department, the sales and marketing department, the technical department, the shipping department, and the administrative department, and eventually in the packing department, too. Performance interviews may have a function for individual *career planning*, on condition that there are career paths (*career development*), though this will be not very likely in a rather horizontal organization (few hierarchical levels) such as *"The Crowned Everyman"*. Furthermore, the Kiekertack example and the performance of De Bree show that *management development* is no luxury, while offering *coaching* may be an appropriate course of action. Finally, *personnel care* should gain more attention. For instance, the opportunity to buy products at friendly prices, free tea and coffee during lunch breaks, and the celebration of the Sinterklaasfeest for children of employees need to be reinstated, to mention only a few of the possible actions. The effects would be manifold (**HEP1a; HPE1; HPE2; HUB3; HUB4; HT3; HT5; HCR5; HL2; HL4; HL6; HMD5)**:

- better economic performance while preventing loss of legitimacy and saving the license to operate because of application of the results of learning processes
- increasing job satisfaction and commitment and decreasing turnover and absenteeism among the workforce of the packing department in particular,
- decrease of unethical behavior, higher levels of trust and safety, and transparent communication
- improved working relations within and between departments, and more mature modes of conflict resolution, and moral development of individuals from Stage 3 to Stage 3/4.

7. Limitations, suggestions for improvement, and conclusion

Case studies can be informative while delivering thick and rich descriptions and explanations of the phenomenon in its context, especially when it is difficult to isolate that phenomenon from that context, when there is variety of variables not having take shape yet and, hence, the phrasing of the problem is still floating (Hutjes & Van Buuren, 1992, 23-26). As in all research, to arrive at a proper *chain of evidence* (Yin, 1984), case studies follow methodological procedures, including problem formulation, constructing a research design and a conceptual model, collecting data, analyzing and reporting, most likely in an iterative process in which hypotheses are shaped gradually (Eisenhardt, 1989). From this perspective, it can be understood - as was claimed in the introduction of this section - that this vignette is not a real case study according to the state of the art. Its design was inadequate, there were no protocols and memos of findings and proceedings, and there were categories of data missing (because they were not collected on purpose).

The initial information was not collected as part of an inquiry. It resulted out of personal astonishment about ongoing practices in a firm. Not only because of a time lag, the recollection of fragments of everyday conversation may suffer from bias because of selective memory or jumping to conclusions. Nevertheless, the case could hardly have been chosen better. Information for desk research was available, unobtrusive participative observation was possible, the organization was not too large to oversee, and the purport of the case is both recognizable and comparable, making *"The Crowned Everyman"* actually what has been called a "typical case", fit for illustrative purposes and plausibility probes.

Of course, it would have been better to conduct this type of research by using participative observation (in everyday work place conversations) with moral climate categories in mind, instead of trying to fit the data in the model in retrospect. A serious limitation was the restriction of the analysis of everyday conversation to the packing department. This means that everyday conversation themes in others department and in the boardroom remained beyond the grasp. However, the available information can be considered valid, because it was largely based upon unobtrusive measures, since the other employees were unaware of being observed. In fact, they were not, if only in retrospect, so there was no risk that research was biased because of reactivity (though some of the workplace conversations were started by the researcher). Only in the second part, their conversation fragments became more or less meaningful data through the conceptual scheme of moral climate theory. Of course, these measures could have been completed with analyses of conversations in other departments, and preferably, in the board

room, while recognizing that these observations probably would have been far less unobtrusive and prone to social desirability and other types of bias. These everyday conversations could have been approached in minute detail with methods borrowed from discourse/conversation using categories from narrative analysis and ethnomethodology (Ten Have, 1987; Flick, 2006, 173-188, 320-341; Levinson, 1983, 286-294; Paltridge, 2006; Phillips & Hardy, 2002; Rapley, 2007; Rijnja & Van der Jagt, 2004; Rogers et al, 2005; Tesselaar & Scheringa, 2008; Titscher et al, 2000; Wood & Kroger, 2000).

The workplace conversations represented, as well as other newly recorded conversations could be analyzed in terms of both their contents as negotiated meanings and their structure, from an etic point of view, that is with appropriate categories to interpret findings in the perspective of the research purpose. Here, the role of the researcher is a crucial one in making sense of the raw data (Rapley, 2007, 102-104)[126]. From a moral climate point of view, concerning contents of discourse and conversation, the identification and selection of protagonists, plots, themes and topics (as narrative elements) , moral claims, and argumentations put forward to warrant these claims (rhetorics), as well as well as tropes (including, metaphor, irony, synecdoche, and metonymy) are imported categories[127]. Important is the structure of discourse (condition and sanctioning, transferring information, persuasion, clarification, construction and negotiation of meaning and opinions in argumentative discussion, discussing scenarios), its power elements (both the authority of Kiekertack and the subversive behavior of workers), and of course, its relational and situated context (workplace conversation as hidden transcripts as manifestations of the organizational undercurrent). From the quarter of conversation analysis, attention could be paid to turn-taking, adjacency pairs (such as question-answer, offer-acceptance), conversation implicatures and speech acts, as well as overall organization and preference organization (Levinson, 1983, 294-370). If possible, all this can be rounded up with the analysis of paralinguistic, kinesthetic, proxemic, physical, and demonstrative aspects nonverbal communication, while distinguishing both formal and informal horizontal communication between coworkers and vertical communication between superiors and subordinates.

Since the managers are an important source of data, in-depth ("ethnographic") interviews with Klotterbooke, De Bree, Punselie, Ten Hompel, and of course, Kiekertack (alone or concerted in a group interview of group discussion) could have revealed their experiences, intentions, opinions, and ideas about running a factory, delivering quality products, and managing subordinates. Concerted interviews could also useful information about management team dynamics and interactional processes (Hutjes & Van Buuren, 1992, 87). A risk of these interviews would be *elite-bias*, that is, trusting in those informants occupying higher positions in the organization while ignoring the stories of ordinary employees. In fact, the conversations represented, reveal the opposite type of bias, since only the perspectives of the workers are involved, which may lead to worker-bias, or even the risk what anthropologists call "going native" (getting too involved at the expense of objective registration) (Hutjes & Van Buuren, 1992, 60, 91). The question, however, is whether would have been eager to collaborate in business ethics research, because of the sensitive nature of the issues at stake. Getting access to organizations still is one the biggest thresholds for business ethics research.

The analysis of everyday conversation could have been accompanied with a measure of moral climate in the several departments of the company as well as in the boardroom by using some

version of the *Moral Climate Questionnaire*. A short *Moral Climate Questionnaire* (SMCQ), designed for use in an iron foundry (2009), could also have been used in *"The Crowned Everyman"* (stage-indication omitted from the actual questionnaire disseminated in the organization; no questions were included to tap a Stage 6 and 7 morality, since these were not expected to occur in this firm)[128].

- In this company, people are prepared to give something for team, department, their close colleagues (3)
- Employees in this company consider it important to contribute their mite to society at large (4)
- In this company, employees have to be monitored on a permanent basis in order to get their work done properly (1)
- In this company, employees follow the rules, procedures, and guidelines of the company of their own accord (3/4)
- In this company, employees both have a critical mind concerning extant societal rules and regulations and are capable to propose points for improvement (5)
- In this company, employees stick to informal team or department rules and norms (3)
- Employees are prepared to make a special effort for their company as long as they get something in return (2)
- In this company, people like to their best because of the good reputation of the firm and because they are proud of their company (3/4)
- In this company, people foreground complying with the law out of intrinsic commitment and consent to the law (4)
- In this company, employees guide themselves by respect, justice and integrity (5)
- In this company, people only work for the money (2)
- In this company, people guide are mainly driven by fear for a negative appraisal (1).

For other research purposes, this questionnaire can be expanded with items measuring more specific moral climate types in a more differentiating manner. A specific version of the MCQ can be designed to measure the moral climate of informal groups (cliques).
In addition to using one MCQ version or another, assessments of individual stage of cognitive moral development could have been measured, for instead by using vignettes and a scoring system to interpret answers (as in the *Moral Judgment Interview method*, informative, though rather time-consuming and otherwise demanding).
More desk research could reveal additional significant information about the economic situation of the company and its competitors, about the employees (turnover rates, sickness absence, and involuntary dismissal), and about decision-making (annual reports, policy statements, reports of discussions of work progress, memos, letters, performance appraisal reports, job descriptions).

The organization could have been described in terms of maps, photographs, charts, and schemes as specific forms of discourse. The spatial context of the organization could have been represented by a map of the factory or by a detailed floor plan showing the arrangement of the assembly lines. Photographs could provide an image of the sight and the atmosphere of the departments. An organization chart could picture the structure of the organization, whereas a time scale could represent the past events chronologically and the prospects as outlined in the four scenarios (Hutjes & Van Buuren, 1992, 162). A scheme has been constructed to represent the variables and the relationships. A personnel implication matrix has been constructed, and could have been constructed for all four scenarios.

Finally, other variables could be introduced and measured, including group dynamics within departments, communication between departments, gaining information from both suppliers and customers, organizational culture measures (in terms of one of the models described in chapter 3), job satisfaction, employee commitment, turnover intention, experience of mutual trust, and unethical behavior in its various forms, climate for quality, innovation, and learning. In doing so, the idea of multiple triangulation becomes more elaborated while combining both quantitative and qualitative methods, introduce more than one researcher, use a variety of theoretical perspectives, as well as using respondent feedback in case of *member check* in order to promote democratic validity (Anderson & Herr, 1999, 16).

A special limitation to the vignette, apart from its time lag, is the impossibility to discuss the results with the participants in order to check whether they recognize the findings and their interpretations. This involves *moral issues* as well, to be addressed below briefly.

The main ethical guideline is that above all, research should not cause any harm or distress, either psychological or physical, to anyone talking part in it. Secondly, anyone taking part in the research should be aware that they are taking part in research, understand what the research is about and consent to take part in it. This means that no covert or undercover research should be conducted. Instead, participants should be given appropriate (clear and accessible) information about the research purposes while asking them for informed consent while avoiding any pressure or seduction to give permission prior to research. Furthermore, data should not be used outside the scope of the original consent for use without further consent. Essential is that research does not compromise the privacy and dignity of participants (Rapley, 2007, 23-32; Ryan, 2005, 230-247).

In the case of "The Crowned Everyman", workers acting in the conversations were unaware of the use of their statements in later research. The interesting moral question is, whether it is permitted using experiences and impressions for research purposes afterwards. Even if we would, there was no opportunity to inform them and ask for consent. However, to assure anonymity, names were altered, except for one. There was no single decisive reason to disguise the name of Juan; he was very nice partner to work with and took excellent care of his job. Exactly because of the time lag, no person would be serious damaged professionally and personally by acting in the vignette, not even Kiekertack, who will be retired be now if still alive. *"The Crowned Everyman"* as a firm still exists, though in a different from. When conditions are unaltered, management of the bakery even could take their advantage from this retrospective research. Nevertheless, exactly because of its different form, there has been no contact with those in charge at the moment.

The question is, whether in future research member check to promote democratic validity is a correct course of action. Much depends of the purpose of the report. Writing a research report for scientific purposes differs from writing a report as part of an organizational development project. Anonymousness can be guaranteed more easily in a scientific report, whose readers probably know none of the actors in the report. However, for internal use, disguise is not enough, since statements could be easily traced back to positions, and hence to persons while leading to unwanted side effects (Hutjes & Van Buuren, 1991, 191-192, 195). In all cases, the advantages of member check are clear, since misrepresentations can be corrected easily and

interpretations exchanged and shared consent for (conditions of) publication secured (if the language in the report is understandable and non-judgmental). However, member check may involve risks as well, including rationalizations for behavior, conflicting interests, elements of power, or even conspiracies to divert the researcher or using the researcher as a leverage or even a crowbar for change (Hutjes & Van Buuren, 1992, 57, 195-196; Swanborn, 1996, 107-108). However, the real question of whether researchers can gain entrance in organizations such as *"The Crowned Everyman"* at all, and if so, whether their presence will not be restricted by specific demands of management regarding the collection of data and the way these are reported. An overt examination may affect the reliability of the findings in a way that does not occur in often revealing undercover like research (as for instance, conducted by the German journalist Günther Wallraf).

Because of their mostly exploring nature, case studies provide insights that may be hard to generalize to other contexts. Briefly stated, this conclusion is twofold:

- an undesired Stage 2 moral climate in the packing department is maintained through the attitude and behaviors of a single manager (Kiekertack) as an intermediating variable;
- the real cause is the firm's ambiguous strategy based on a myopic image of consumer demands due to gross inadvertence of the selling and marketing department as the independent variable.

The question is, whether these conclusions can be generalized to other contexts. Here, a careful distinction should be made between generalization of contents and generalization of theory and method. It is possible that the findings can be generalized to other cake and biscuits mills, if the conclusions are formulated precise enough and if their enough similarities between firms. However, as some benchmarking revealed, large differences existed between *"The Crowned Everyman"* and its major competitors (Peijnenburg and Bolletje). Further examination should reveal whether this type of generalization is justified. Conclusions can be generalized to other companies with ambiguous or even clear cost cutting strategies, or to companies with same leadership style or job characteristics, depending on which variable is put in the forefront. In terms of Mintzberg's theory, machine bureaucracies may evoke (if not imply) a Stage 2 exchange climate.

When local or regional peculiarities have been found important (such as a typical Bingerden work ethics), the findings could be generalized to other companies in Bingerden, no matter the type of industry and its policies. Furthermore, in Bingerden there could appear to be a typical local labor class culture comparable to those in other towns and cities (including Eindhoven, Enschede, Emmen, Tilburg, and Venlo) as may be revealed through intensive social demographical research (see, for instance, Blonk, 1929,[129]). Finally, there could appear to exist some remnants of a typical Hanseatic work culture that has developed through the ages and that may occur also in other comparable Hanseatic towns, including Greifswald, Münster, Osnabrück, Stralsund, Wismar, Deventer, Kampen, Zutphen, or Zwolle, and that may be reflected in their local culture, ways of living and leisure activities, political inclinations, local relations, self-esteem, educational level, use of language (please note the striking similarities in the local dialects of Bingerden, and for instance, Deventer, Lübeck, and Stralsund), and that may be reflected in local advertising through the ages as well (Berends, 2008).

When generalizing findings to other (types) of organizations becomes difficult, generalization of theory and method is another promising option. Apart from the personal collection of experiences while working in the cake and biscuit mill, this type of research with its theoretical framework and conceptual model can be used in other organizational contexts as well. From this perspective, the exploratory description and analysis of *"The Crowned Everyman"* can serve as a good example of the practical use of the moral climate concept and typology.

In sum, the vignette *"The Crowned Everyman"* offers an example of how moral climate theory can be used in describing and explaining organizational reality from a moral perspective. Thin descriptions have little explanatory value, but completed with auxiliary theories and models, thick descriptions can be constructed based on hypotheses concerning mutual attractive values of variables.

Qualitative methods (including participant observation and discourse analysis in its broadest sense) should used from the perspective of methodological of triangulation as well as quantitative, though it should be recognized that getting entrance to an organization to conduct qualitative research will be far from easy. The participant observation during a working period in *"The Crowned Everyman"* was a unique opportunity to collect inside information that probably was hard to get otherwise (and could have be better with a preconceived research design, Jorgensen, 1989, 13-14). However, in the end, not the results are worthwhile, but the approach developed from experiences and ample reflection.

6.5 Summary

In this chapter, the proceeds of the foundational analysis of the moral climate concept and the meta-analysis of about 300 contributions have been brought together in a "state of the art" moral climate model.
Moral climate is a property of an organization of its formal and informal subparts. It can be described in terms of an enhanced Kohlberg-based model preserving its explicit stage character but in need of some refining in terms of both branching in the conventional stages and the inclusion of an organization based Stage 3/4 in which the organization is the moral referent.
A single typology of moral climate stages has little explanatory power without auxiliary theories, on, for instance, organizational environment, production concepts, strategy, structure, culture, personnel concepts and on the numerous concepts that can be used in explaining the consequences of moral climate (job satisfaction, commitment, conflict resolution, learning, unethical behavior, trust, turnover, and absenteeism). Since leadership is an important mediating variable, theories of leadership cannot be ignored in a comprehensive moral climate model. Stage of individual cognitive moral development as an important moderating variable cannot be ignored either. Finally, both structuration theory and ethnomethodology point at the essential position and function of everyday conversation in both consolidating and changing moral climate.
These antecedents, consequences, mediating and moderating variables have been into a model,

in which moral climate can be considered as both the dependent (of antecedents) variable and the independent (causing all sort of consequences) variable. In a complete, rhizome-like model, moral climate can be a mediating or moderating variable between antecedents and consequences, for instance, as a mediating variable between organizational strategy and organizational effectiveness, or between structure and job satisfaction and commitment (with other variables included as a result of nomadic activities).

In order to arrive at informative thick descriptions of moral climate configurations with explanatory and predictive value, analogous to Mintzberg's approach in *Structures in Fives* (1983), about hundred hypotheses were formulated to indicate which values of variables "are constantly looking out for each other". Thick descriptions of moral climate configurations were presented while referring to these hypotheses. Finally, an elaborated vignette was presented, with firm roots in reality, based on participant observation, conversation analysis, and desk research. Although this vignette does not meet the criteria for an appropriate case study in some respects, it is informative enough to serve as an illustration of the moral climate moral outlined in this chapter.

In the next, closing chapter, overall conclusions are summarized, recommendations formulated, and a research agenda drawn up.

Chapter 7 Conclusions and outlook

7.1 Conclusions

Based on the descriptions and evaluations from the previous chapters, general conclusions can be drawn and recommendations suggested. Culture theory was found inadequate to capture the moral dimensions of organizations. To construct a better alternative, two track were plotted, a conceptual track and a meta-analytical track. In the conceptual track, the "climate" part and the "moral" part of the moral climate concept were explored. In meta-analytical track, based on the methodology of foundational inquiry, about 300 contributions to moral climate research were examined and discussed with regard to their foundations. The idea of foundational inquiry to identify opposing positions in fierce debates did not work out. The only implicit discussion to be noticed concerned a growing unease with the model of Victor and Cullen (1987; 1988). Nevertheless, a diversity of positions became manifest, some of these position taken implicitly and not always consistently, for instance concerning the use of Kohlbergian theory, the choice between a perceptions approach and an attribute choice concerning the ontological status of "climate", and the blurred distinction between descriptive and evaluative use of the term moral climate and similar terms. The foundations were described in terms of the categories of the format described in chapter 2, whereas the moral climate concept was pictured as a rhizome rather than as fixed and rigid concept. Preceded by conclusions concerning context, purpose, and relevance, demography, and genealogy, the conceptual, typological, empirical, evaluative and interventional aspects of moral climate theory can be encountered.
In the following, the research questions formulated in chapter 1 are readdressed, and, for the greater part, provided with summary answers.

- **Context, purpose and relevance**

- Moral climate theory is situated at the crossroads of (at least) two academic disciplines, ethics theory and organizational theory. Few contributors to moral climate appear to feel themselves at home in both disciplines. This means that contributors, who have their basis in organizational theory, usually do not know their way in the domain of ethics theory too well, whereas contributors with an origin in ethics are not always familiar to the theory and practice of organizations. That is, in many contributions to moral climate theory there is an inherent weakness, due to either lack of insight in ethics theory or in organizational theory.
- Many moral climate authors and researchers are inspiration by scandals - the Enron-case is often mentioned - and the desire to contribute to ethical organizations (mostly) and to effective and efficient organizations by taking moral climate as an instrument (less often).
- The greater part of the contributions has been published in the *Journal of Business Ethics*. The alleged editorial policy to publish nearly everything has seriously impacted the development of moral climate theory negatively, since numerous contributions drawing

on the inadequate model of Victor and Cullen keep on reproducing its flaws. A more critical policy could have lead to turning down proposals for publications with the suggestion to reconsider the underlying logic of the model of Victor and Cullen.

- Moral climate research has been carried out in several industries (with streams of research among, for instance, sales people and in health care and service organizations) and in a large number of countries, both western and non-western countries (including, for instance, Nigeria, India, China, Taiwan, Turkey, South Africa, Philippines, Korea, South Africa, Israel, and Russia). However, most of the research has examined ethical climates in companies and non-profit organizations in the United States of America.

- **Moral climate concepts**

RQ1 *How is moral climate defined and how do authors relate moral climate theory to extant theories of organizational climate and organizational culture, and especially, what have they learned from those theories with regard to conceptual, methodological and interventional issues?*

Moral climate is defined in divergent terms without debates concerning correct interpretations of the moral climate phenomenon. Though many contributors take an effort to contrast culture and climate, and ethical culture and ethical climate, the results of these efforts entail that these concepts generally are used interchangeably. However, many authors confuse a descriptive use of ethical/moral climate or culture with an evaluative use (sometimes within one contribution).

RQ 2 *Which explicit or implicit positions do authors on moral climate theory take in the attribute – perception controversy?*

Many discussions philosophy of science is renowned for can be recognized in moral climate theory. From an ontological perspective, the discussion is whether moral climate is an organizational attribute, a social fact existing independent of people, or consists of aggregated perceptions from (mostly) employees. In the latter case, the pregnant question 'perceptions of what' is not raised let alone answered. In most publications, a perceptions approach of moral climate is favored.

RQ 3a *Which notion of morality is implied in the adjective 'moral'? Do moral climate concepts, theories and typologies cover all relevant types of moral argumentation, are they in this respect incomplete, or even possibly ill defined when ethical theories are not understood or used in a correct way?*

RC3b *What are the theoretical, empirical, and practical consequences of possible neglect of forms of moral argumentation and/or incorrect use of ethical theory?*

In many contributions, the notion of morality is not explained, in many times at the neglect of even the most common notions of ethics. That is, not all relevant types of moral argumentation are covered. In many instances, this leads to biased concepts and incomplete typologies insofar as current forms of moral position-taking are ignored (see also RQ7 below).

Moral climate theory has its offspring in the moral atmosphere theory that has been developed by Lawrence Kohlberg and his associates. Though moral atmosphere is seldom referred to in moral climate theory, most authors do mention Kohlberg's theory of cognitive moral development as a primary source of inspiration, either in Kohlberg's own fashion or in the version of Rest. Because of its deontological bias, the moral focus should be enlarged.

Some contributors to moral climate theory point at the hidden prescriptive nature of the model of Victor and Cullen when instrumental ethics, benevolent ethics, and principled ethics are equated with pre-conventional, conventional, and post-conventional levels of moral development, respectively.

RC4 *On what grounds do moral climate researchers determine the locus of reference of organizational moral decision-making? How are actual and potential claims of categories of stakeholders specified and dealt with in moral climate research? Which categories fall within the moral horizon, which categories are morally excluded, and on which grounds?*

Unlike than was expected, this issue remained unexplored in many contributions. Most of the time, the locus of reference was the organizations, and only occasionally specific stakeholders (notably clients or customers) came into the picture (see also RQ7 below).

RQ5 *How do theories of moral climate explain the formation, maintenance, growth or development (in terms of drivers), and change of moral climate in terms of structure, human action, and interactional processes?*

Most contributions to moral climate do not address issues of formation, maintenance, growth, or development. Generally, in most of the texts reviewed, its authors do not hold a deterministic view on people in organizations, and are optimistic about the possibilities to change its employees through appropriate interventions, instead of taking the iron cage of organizational structures as point of departure.

RQ6 *How do theories on moral climate deal with the organizational level, its sub-levels (either formal or informal) and supra-level in their diversity (type of industry, profession, nation), respectively?*

In most contributions, the organization is the level of organizations; only in a few occasions, subclimates are considered, whereas a focus on supraclimates is about absent.

- **Moral climate typology**

RQ7 *Which typology is used, along what dimensions it is constructed, and how are the different types of moral climates characterized? How do contributors to moral climate relate to Kohlberg's stage theory of individual cognitive moral development and have they done justice to the merits of this theory? If not using Kohlberg's theory, how are typologies constructed then? How is the switch passed between a theory about individuals to an organization theory? How is dealt with evaluative and developmental notions?*

Different from what was expected, no nice number of competing typologies could be found. Kohlberg and associates did construct a highly complicated moral atmosphere, but not with distinct moral climate types. However, based on Kohlbergian notions, Snell did. Most influential is the typology constructed by Victor and Cullen, identified as the dominant 'school' in moral climate theory and research. Many contributors to moral climate theory - especially those writing on service organizations - use the model of Victor and Cullen, but abandon its typology. Instead, they use the term ethical climate in a normative way: an ethical climate is a climate high in ethics. Some of these authors admit that they, when doing so, in fact have a rules climate in mind. Apart from this uncritical use and its incompleteness, the typology of Victor and Cullen suffers from two major flaws, one for each of its constituting dimensions. Concerning the ethical criterion dimension, principled ethics is equated with thinking in terms of laws and codes, which in fact is

conventional. In this respect, conventional and post-conventional are not distinguished appropriately, leading to numerous misunderstandings and contradictory suggestions for intervention. Concerning the locus of analysis criterion, the model is not able to properly manage the organizational perspective. The local locus of analysis is alternately used as either referring to the group level or to the organizational level, which are in fact different levels of analysis. Furthermore, the typology of Victor and Cullen, though said to be inspired by Kohlberg's theory of individual cognitive moral development, has lost its developmental and evaluative signature, and ignores the issue of constructing an organizational theory on the basis of a theory about individual moral psychology. Therefore, the strong suggestion is given to use this dominant typology no longer because of its general theoretical inadequacies and practical misinterpretations.

- **Moral climate research**

RQ8a How is moral climate research designed? Is it descriptive or explanatory, or both? Which variables are involved and which type of variable is moral climate: dependent, independent, mediating, or moderating?

RC8b Which connections are examined between moral climate and contextual and organizational variables?

a. Environmental variables (hostility, political, economic developments, supra-cultures)

b. Situational variables (such as age, size, technical system, legal relations)

c. Strategic variables (product-market-technology combination; type of strategy)

d. Structure variables including job design

e. Culture variables (including leadership style, organizational conventions, myths).

f. External and internal outcome variables (organizational effectiveness, job satisfaction, commitment, turnover, unethical behavior).

In moral climate research doing more than simply describing, moral climate is used as the dependent variable (about 5% of the contributions) as well as the independent variable (95% of the contributions). As a dependent variable, it is explained by connected with environmental variables (including governmental regulation, national culture), industry-related variables (including for-profit / not-for-profit), strategic variables (cost reduction versus quality and innovation), and structural variables (including organizational size and configuration) shaping and maintaining moral climate.

As an independent variable, it is used to explain such organizational phenomena as leadership style, commitment to quality, organizational commitment, spirituality, job satisfaction, turnover intentions, performance, and work relations. Depending on the type of description of ethical climate, many of these contributions are of a rather circular kind. When using a thin description, these contributions may seem informative. In thick descriptions of moral climate types, these organizational phenomena (including job attitudes and employee behavior) may already be an expected part of the description.

Many researchers did consider leadership as the crucial variable, and take an effort to link ethical climate with leadership type.

Finally, in some moral contributions, the authors consider ethical climate as a moderating variable. However, the way it is moderating and between which variables, is not very clear in terms of causal relations. Finally, nomadic activities may introduce new connectivities.

RQ9 Which empirical methods are used in moral climate research and on what grounds?

From an empirical view, the tension between an emic-approach and an etic-approach becomes apparent. In most of the research, respondents are asked for their perceptions of the ethical climate of their organizations. Few, if any reports exist of researchers interviewing informants are conducting participant observation. In many cases, samples are drawn in ways questioning the validity of the results. Students are examined in conducting management games or are asked to simulate organizational behavior without a rich context. Other samples include too little respondents per organization to arrive at valid inferences about their organizations. The point of triangulation was seldom met, if at all.

The research instruments designed by Kohlberg and associates to measure moral atmosphere may give a very detailed image of moral atmosphere. However, the instrument is too complicated to apply in business situations were researchers skilled in Kohlbergian methodology are absent. On the other hand, researchers using a single scale consisting of seven items (Deshpande, Schwepker and associates) may take their task too easily. Though highly acclaimed and used often, the *Ethical Climate Questionnaire* of Victor and Cullen should be rejected, due to its aforementioned inadequacies.

Finally, many contributors go astray while overinterpreting their research data. Statistical achievements are sophisticated and hence, laudable, most of the time. However, researchers seem to confuse climate types and climate dimensions. In a delineated climate type, one climate dimension is dominant or hegemonic. In more heterogeneous climate types, researchers are badly in need of composition models as proposed by Chan, to arrive at conclusions that are more informative. Since the focus is on perceptions most of the time, most of the measures taken are on the individual level, leaving the aggregation to higher levels questionable. That is, a greater party of ethical climate theory is a theory about individuals instead of a theory about organizations.

- **Moral climate evaluation**

RQ10 In terms of which criteria can be determined and justified whether a certain moral climate is preferable (to other moral climates)? On what evaluative grounds do moral climate theories give recommendations for intervention in the context of strategic management in general, and for institutionalizing ethics in particular? How is dealt with possible tensions between criteria (more in particular: moral developmental versus pragmatic contingency criteria)?

Concerning the evaluative dimension of moral climate, two criteria are used at the same time - the developmental ethical criterion (directly or indirectly borrowed from the theory of Kohlberg) and the pragmatics contingency criterion (referring to carrying out tasks and assignment of the organization effective and efficient). This may lead to a diversity of possible conclusions, including an obviously odd one: both criteria may be matching (the developmental ethical criterion and the contingency criterion may fit) or not matching. In the first case, it can be said that the ethical contents of the organization may be too low when compared to the contingency criterion. In the second case, the odd one, ethical contents may be too high when comparing to

the contingency criterion. As emerges from the research, most moral climate researches adopt performance criteria, not seldom at the neglect of developmental-ethical aspects. More generally, many contributors, forgetting the Kohlbergian origins of their model, even simply favor an unspecified climate for ethics without explaining their criteria for ethicality.

- **Moral climate intervention**

RQ11a Which directions and methods of interventions are given in contributions of moral climate theory, how are these direction and methods substantiated, and are they of a general kind or climate-sensitive or climate-specific?

RQ12b Which directions for moral climate intervention are given with regard to the structural level, the individual level and the interactional level, and on what grounds these choices are been made?

Most contributors describing moral climate interventions do not propose climate-specific interventions, but instead focus on the one-size-fits-all approach, mostly consisting of introducing and enforcing corporate codes of conduct, ethics training, and leadership development. That is, interventions suggested ignore climate typologies when not offering tailor-made solutions to improve an organization's moral climate.

- **Development of moral climate theory**

RCQ 12 Which pattern can be identified concerning the development of moral climate theory?

When trying to find a developmental pattern in moral climate theory, a gradual shifting away from the Kohlbergian paradigm can be observed, up to a denial of its existence. The major stream of moral climate research uses the model of Victor of Cullen that is said to be built on Kohlberg's theory, though the model of Snell is a far better elaboration within Kohlbergian premises. Many contributions ignore, or at least hide, its developmental and evaluative aspects of moral climate while emphasizing a descriptive use of the term. No fierce debates within the domain of moral climate marking the transition to new stage of development could be identified. This means, that PC12, stating that over time, moral climate theory shows a developmental pattern with distinct stages, is refuted.

Perhaps, the present study, despite its limitations, could mark a new stage of development by making up the present state of the art and showing directions for future development.

7.2 Limitations and a research agenda

Despite its attempt to be comprehensive, obviously, the present study has its limitations. A first limitation is its comprehensive scope making it impossible to reach profundity in every respect. Furthermore, the illustrative vignette presented and discussed in chapter 6, has apparent empirical shortcomings. Further empirical validation of the model underneath this vignette, is present through numerous papers written by students describing the moral climate of their organizations, but could not be included in this study to prevent further overload.

The connectivities (concepts taken from auxiliary bodies of theory) could have been described in more detail as variables connected with moral climate. However, the model described in chapter 2 and used in chapter 6 offers ample possibilities for the development of moral theory while

offering a blueprint for research with numerous suggestions for research (hypotheses).
A research agenda can be either long or short, but necessarily must include testing and developing the model and the moral climate typology. Since in most research, moral climate is considered as the independent variable, it would be recommended to conduct research in which moral climate is the dependent variable, influenced by factors from the left part of the model. Furthermore, it could be a possible line of research to investigate the relationship between on organization's moral climate and other climate dimensions, for instance, safety, learning, trust, and diversity, in order to arrive at an even more comprehensive image of moral climate configurations. Then, Propositional Claim 6, saying that *Apart from focusing on organizational moral climate, both organizational moral sub-climates (either formal or informal) and supra-cultures in their diversity (type of industry, profession, nation) should be a point of attention.*

The research reviewed in the present study (included on the CD-ROM that accompanies the printed text) may be not come up the mark in a number of respects, each text on its own can be a source of inspiration for further research because of its inherent specific merits.
More in particular, researchers need to develop research instruments that are adapted to the specific contexts they want to investigate. A longer or shorter version of the *Moral Climate Questionnaire* can be developed with items referring to the specific situation of the company to be examined, while testing and warranting its reliability and validity. Samples should be designed properly (covering all subsystems with enough respondents), and informants well-chosen (having both an unbiased critical stance and a lot of relevant information).
Stages of individual cognitive moral development can be identified while using instruments designed within the Kohlbergian paradigm, with moral dilemma reflecting the moral themes characteristic to the organization, both antisocial (for instance, transgressive behavior or temptation) and prosocial (for instance identifying organizational citizenship behavior).
In general, triangulation is recommended, on the level of paradigms and perspectives, research strategies, methodology and instruments, and of researchers, too (to prevent researcher bias and get a clear account of the bigger picture of other variables involved, including structural, strategic, technical, and cultural variables), if carried out legitimately (see chapter 2, note 25).
Furthermore, research can be carried out to determine the external and internal dynamics, environmental influences, strategy translation into appropriate personnel concepts, socialization processes, group dynamics, and leadership behavior.
From a structurational and ethnomethodological point of view, everyday conversation is an important phenomenon to consider while using insights from discourse analysis, conversation analysis and narrative analysis as a special category examining the structure of conversation (turn-taking, overall and preferred organization, adjacency pairs) and narratives.
In general, criteria of moral climate evaluation can be scrutinized, especially when the performance criteria overrule moral criteria.
Finally, the suggestions of Propositional Claims 11a and 11b, stating that *Moral climate intervention should avoid a "one size fits all approach" and instead be climate specific and either match the actual moral climate for consolidation, or anticipate the future moral climate (type) from a developmental perspective* (PC11a) *and Moral climate intervention should be directed at the structural level, the individual level and the interactional level, according to the contingencies of the moral climate and include a focus on leadership"* (PC11b), should be

taken seriously and made concrete through practical operationalization.
The impact of written documents such as corporate codes of conduct could be examined by connecting contents and procedure of the code to the present and desired moral climate.
The practice of HRM-instruments could be examined from the perspective of moral climate, either present or desired.

7.3 Outlook

In chapter 1, criteria were mentiond for fruitful contributions to science with practical ambitions:
(a) move theoretical conceptualization forward in organizational theory, and/or
(b) indicate new theoretical linkages that have rich potential for organizational theory and research, and
(c) provide clear implications of theory for problem solving in organizational situations.
This means advancing knowledge and moving the field's thinking forward (scientific utility), integrating prior thought and research and providing new connections among previous concepts to constitute a different way of understanding organizational phenomena, and alerting us to research opportunities not anticipated so far (incremental or revelatory originality), and exploring the practical implications of these connections (practical utility).

Judged by these criteria, moral climate theory as pictured in the present study can offer an important contribution to both effective and just organizations when added to other theoretical and practical activities. Moral climate theory can explain organizational phenomena, such as low commitment and poor job satisfaction. Moral climate theory can offer insights that can improve programs of organizational development, fostering the learning potential of organizations, and reinforce quality programs and programs of changing organizational culture. Furthermore, moral climate theory can guide the implementation of HR instruments, in either a strengthening way (climate-sensitive) or a developmental way (climeate-specific). Most of all, moral climate theory offers a powerful insight in the nature and ongoing processes in organizations and should be used as an instrument to "read" organizations carefully, from an elaborated ethical perspective.

Chapter 1: notes

[1] I refer to organizational moral climate for two reasons, the first of which is to exclude other moral climate notions, more in particular moral climate of countries and smaller or larger local communities. Nevertheless, in this study, I will briefly explore the possibility of moral climate on the level of entire industries and production-distribution chains, or other so-called "supraclimates" (see, for instance, Abrahamson & Fombrun, 1994; Gordon, 1991; Sminia, 1997). However, for reasons of brevity and convenience, in the present study I will use the phrase "moral climate" referring to the organizational level, and "subclimate" referring to organizational subsystems, either formal or informal. The second reason is to make a clear distinction between organizational climate as an organizational attribute and psychological climate as an attribute of individuals (James & Jones, 1974).

[2] The person-situation interaction issue is recognized in business ethics (see, for instance, Jones & Hiltebeitel, 1994, Jones & Ryan, 1998; Thorne & Saunders, 2002; Treviño, 1986). Winn (1989) compares three positions in business ethics with regard to responsibility for ethical conduct: the individual, the organizational, and the interactional perspective. In the present study, the interactional issue is taken up in terms of, amongst others, structuration theory, as is elaborated in the present study.

[3] We will not draw the distinction between philosophical and scientific concepts too sharp, since much of the remarks made refer to both types of concepts. Yet, there are some specifications. Scientific concepts are meant to be measured empirically, whereas philosophical concepts are formal tools for reasoning and discourse. This means, that some ways of conceptualizing concept and concept formation apply more to philosophical concepts than to scientific concepts. In particular, this concerns the ideas of Deleuze and Guattari (1976; 1991). The nomadic and unsystematic conception of concept formation aiming at adventurous thinking may be appealing in tentative philosophical concept formation not aiming at immediate representation, but lacks scientific rigor necessary for empirical research. Nevertheless, their ideas are worth noting. Nomadic thinking can helpful in the development of new concepts. As Deleuze and Guattari posit it in *Qu'est-ce que la Philosophie*, (1991, 8): "la philosophie est l'art de former, d'inventer, de fabriquer des concepts". The concept of concept is not a re-presentation (Conway, 2010, 72). At this point, the authors are tributary to Nietzsche, while quoting from his *Oeuvres Philosophiques XI* (215-216) (1991, 11) "les philosophes ne doivent plus se contenter d'accepter les concepts qu'on leur donne, pour seulement les nettoyer et les faire reluire, mais il faut qu'ils commencent par les fabriquer, les créer, les poser et persuader les homes d'y recourir". Put briefly, concepts are not given but need to be created. Please note, that Deleuze and Guattari are not original in this line of thought. For instance, French sociologist Gurvitch (1953, 11) proposed to destroy conventional concepts and design new ones in order to avoid fixed boundaries and constantly examine new parts of reality.
In this process of creating and developing concepts, philosophical thinking, and perhaps, to some degree, scientific thinking can be seen as a rhizome with variations, expansions, conquests, branches, multiplicities, layers and levels, segmentations, intensities, entrances, knots, connections, escape routes, and hidden places. Any point of a rhizome can and should be connected with any other point of that rhizome. The nature of multiplicities changes because of the increase of connections, but there is no genealogy, as there is no structural or generative model or a genetic main axis as depth structure (Deleuze & Guattari, 1976, 12, 13, 18, 21, 22, 31, 35, 61). Despite the lack of clear genealogy, concepts always have a history and a story to tell, even though it is a zigzag story (1991, 23). According to Guattari and Spire (2001, 12), Deleuze conceives a philosophical concept as something in motion, something auto-producing, even of its own meaning, and more than that, of its existence. In this sense, a philosophical concept is close to the production of subjectivity. In this sense, a philosophical concept has its own absolutely specific field, which is neither that of science nor that of the social. Precisely this feature makes the considerations of Deleuze less suitable for scientific conceptualization, a point recognized by

Deleuze. In the words of Deleuze and Guattari, 1991, 111, 112, 119, 126-127), la science n'a pas pour objet des concepts, mais des fonctions qui se présentent come des propositions dans les systèmes discursifs. La philosophie procède avec un plan d'immanence ou de consistance; la science, avec un plan de référence. La fonction en science détermine un état de choses, une chose ou un corps qui actualisent le virtuel sur un plan de référence et dans un système de coordonnées ; le concept en philosophie exprime un événement qui donne au virtuel une consistance sur un plan d'immanence et dans une forme ordonnée. Nevertheless, this distinction should not be taken too strictly. It certainly does not mean that the distinction between form and representation corresponds to the distinction between creation and discovery (Conway, 2010, 56). We would not go along with the claim of Deleuze and Guattari (1991, 111) that science does not need philosophy for doing its tasks. Newly developed philosophical concepts may create new scientific problems (Conway, 2010, 138). From this perspective, the idea of wandering in a rhizome is a useful metaphor for concept development.

[4] The jigsaw metaphor was taken from a novel of Jan Kjaerstad (Erobreren, 1996, Dutch translation: *De veroveraar*, 2002, p. 313).

[5] According to Miller (1987, 131, 132), in any collective the participants will at least try to find collectively valid statements on the basis of which one of the possible answers to a disputed (moral) question can be converted into a collectively valid statement. Collective beliefs are established and maintained through collective argumentation. In actual collective argumentation, the participants usually try to have control of the argument that is going to be developed. As the form of collective argumentations develops there will be different and increasingly complex constraints on what type of basic moral beliefs can be collectively accepted. They must try to coordinate their utterances in such a way that a set of collectively valid statements can be found, accepted by the participants at least for the time being. This set of collectively valid statements can be projected onto the structure of an argument: it comprises basic propositions, derived propositions, and transitions that can be transformed into propositions. Obviously, the 'pros' and the 'contras' play a fundamental role for these processes of coordination. They are the medium in which the participants carry out the argumentative struggle for those statements or propositions that need not to be questioned any more within the context of a given argumentation. Miller calls this the 'basic coordination problem' of a collective argumentation. Miller (1987, 136, 149, 150) addresses important questions, for instance, is there some developmental order in the ontogenesis of the 'logic of argumentation' , do different 'logics of argumentation' impose different constraints on possible basic moral beliefs, that is, on the 'ethos' or general 'moral world-view' underlying a moral system, and what are the (discourse) mechanisms underlying the reproduction and change of collective argumentation and beliefs, or, on the other hand, inhibit development? These questions are discussed from a Kohlbergian perspective in chapter two of the present study. In the moral climate typology I put forward in chapter 5, it will become clear that particular moral climate types promote explicit collective argumentation, whereas other moral climate types prevent it, thus eliciting or confirming certain profiles or patterns of moral argumentation, and accompanying moral beliefs.

[6] Part of the analysis and conceptualization of moral issues is the assessment of their *moral intensity*. The concept of moral intensity, apparently derived from consequentialist ethics, was introduced by Jones (1991). It consists of six dimensions: (1) *the magnitude of consequences* (the aggregate harm done to victims or aggregate benefits accruing to beneficiaries); (2) *social consensus* (the level of agreement about the goodness or evil of a proposed act); (3) *the probability of effect* (a joint function of the likelihood of occurrence of an act and the expected consequence of the act; (4) *temporal immediacy* (the length of time between an act and its ethical consequences); (5) *proximity* (the degree to which an actor can identify with potential victims or beneficiaries); and (6) *concentration of effect* (the degree to which costs or benefits of the act apply to only a

few people). Though the concept of moral intensity has found increasing acceptance in business ethics (Barnett, 2001; Carlson, Kacmar & Wadsworth, 2002; Flannery & May, 2000; Frey, 2000; Kelley & Elm, 2003; Ketchard, Morris & Shafer, 1999; Kish-Gephart, Harrison & Treviño, 2010; McMahon & Harvey, 2007; Marshall & Dewe, 1997; May & Pauli, 2002; Morris & McDonald, 1995; Singhapakdi, Vitell & Kraft, 1996; Singer, 1996; Singer & Singer, 1997; Weber, 1996), it has not developed yet into a current concept in moral climate theory (except in Kish-Gephart, Harrison & Treviño, 2010). For this reason, in descriptions of moral climate theory no specific use is made of the moral intensity concept. Even more important, the dimensions of the moral intensity concept are scrutinized in such a way that is has been suggested that there rather are three instead of six dimensions (McMahon & Harvey, 2007). Notably, magnitude of consequences, concentration of effect, probability of effect, and temporal immediacy are all arguably associated with aspects of the potentially risky consequences to the victim, whereas social consensus and proximity are not directly related to the harm itself but to agreement or psychological similarity. Thus, according to McMahon and Harvey (2007) and Kish-Gephart et al (2010, 20), it is not surprising that the four dimensions directly related to consequences to the victim are overlapping and likely form one dimension related to the amount of "expected harm". In sum, further investigation of the moral intensity concept may be helpful, including an examination of its foundations in ethics theory (which may appear to be mainly teleological).

[7] At this point, I use the terms profile and configuration in a slightly different meaning than others do. For instance, Schulte, Ostroff, Shmulyan and Kinicki (2006, 619, 628) suggest a configurational approach in terms of a gestalt, a patterns of climate dimensions (such as managerial task support, job adequacy, and intraorganizational relationships). Profile characteristics represent specific aspects of a configuration, including *elevation* or *level* (the mean scores of all dimensions), *variability* or *scatter* (capturing the degree of variability across the dimensions), and *shape* (representing the overall pattern of ups and downs across all dimensions). Since in moral climate research, there often is only one dimension (morality), or two (morality and level and analysis), making the terminology of Schulte et al difficult to apply in their proposed meaning.

[8] According to Benedict (1934, chapter 1), a culture is not a random collection of traits, but a unique patterning or organization of these traits.

[9] In their assessment of the use of ethics theory in business ethics literature, Derry and Green (1989) examined the way ethics theory was represented and used in contemporary teaching in business ethics. They conclude that the theoretical component in many business ethics texts offers inadequate or even misleading guidance, for instance, because of a persistent unwillingness to grapple with the fundamental differences between theories, thus leaving major theoretical issues unresolved in ways that haunt and confuse subsequent case discussion.

[10] 'Moral climate' can also be discussed in terms borrowed from other conceptual domains, for instance Bateson's twin concept of *ethos* and *eidos*. Bateson (1973, originally published in 1940; 1949) introduced the twin terms ethos and eidos. Ethos was defined as the expression of a culturally standardized system of organization of the instincts and emotions of the individuals, (1973, 81), the emotional tone of a culture. Eidos is the norm of thought of a structured cultural group, the type of mental operations governing that group's common structure of thought, corresponding to the normalization of logical systems of thought and of the intellectual systems that constitute the personality of individuals within a given culture (1973, 48; 57-58). In the same vein, the contents of moral climate (the moral convictions, norms, behaviors, and so on) can be considered in terms of ethos, whereas the underlying patterns of justification can be understood as eidos. Both ethos and eidos make up the character of an social system

as the standardization of patterns of moral thought and behavior considered normal with that social system (either formal or informal), this creating modal personalities.

[11] This can be explained in terms of the model of ontological domains as advocated by the British critical realist philosopher of science Bhaskar (1980, 20). Bhaskar assumes depth layers in the real world, separate domains with their own specific contents:

contents:	**domains:**
experiences	the empirical }
events	the actual }
mechanisms	the real

This scheme must be understood in the following manner: the empirical domains contains experiences, the actual domains encompasses events and experiences, whereas the real domain consists of all three kinds of contents. With a small number of examples this model can be further explained:
(1) In the empirical domain respondents can be asked for their experiences and findings. Much (moral) climate research operates within the empirical domain when inquiring issues such as evaluation of leadership style, job satisfaction, experiences of mutual trust, and of course, perceptions of moral climate.
(2) In the actual domain events are examined, for instance, execution of rituals in organizations, ways of dealing with sexual harassment or other forms of mobbing, ways of dealing with customer complaints, ways of carrying out quality programs, ways of resolving interpersonal conflicts, and so on.
(3) In the real domain, underlying characteristics and mechanisms, difficult to perceive, but nevertheless operating, actualizing in events that can be experienced. Research questions within this domain are, for instance, why does mobbing occur in one of out departments and is absent in other department of our firm? What factors prevents quality programs getting off the ground? How do the initial values of the founder of our firm work through in actual organizational strategy and ways of managing the firm? Moral climate as such is part of the real domain.
According to Bhaskar, identifying structures and mechanisms in the real domain requires a retroductive research strategy. Retroduction means building models of structures and mechanisms. As Bhaskar 91979, 15) puts it,

> "Typically, then, the construction of an explanation for… some identified phenomenon will involve the building of a model, utilizing such cognitive materials and operating under the control of something like a logic of analogy and metaphor, of a mechanism, which if it were to exist and act I the postulated way would account for the phenomenon in question (a movement of thought which may be styled 'retroduction'). The reality of the postulated explanation must then, of course, be subjected to empirical scrutiny…Once this has been done, the explanation must then in principle itself be explained".

A realist conception of science involves processes of description, explanation, and redescription, in which layers of reality are continually exposed, like pealing the layers off the proverbial onion. Blaikie (2000, 170) summarizes the retroductive research strategy as follows:

1. In order to explain observable phenomena, and the regularities that obtain between them, scientists must attempt to discover appropriate structures and mechanisms.
2. Since these structures and mechanisms will typically be unavailable to observation, we first construct a model of them, often drawing upon already familiar sources.
3. The model is such that, were it to represent correctly these structures and mechanisms, the phenomena would then be causally explained.
4. We then proceed to test the model as hypothetical description of actually existing entities and their relations. To do so, we work out further consequences of the model (that is, additional to the phenomena

we are trying to explain), that can be stated in a manner open to empirical testing.
5. If these results are successful, this gives good reason to believe in the existence of these structures and mechanisms.
6. It may be possible to obtain more direct confirmation of these existential claims, by the development and use of suitable instruments (for instance, a Moral Climate Questionnaire, a system of observational categories, or methods of CA/DA/NA, in the case of the moral climate phenomenon, HB).
7. The whole process of model-building may then be repeated, in order to explain the structures and mechanisms already discovered.

[12] Initially, the idea was to investigate the 'theory of the firm' that is espoused by contributors to moral climate theory. After all, moral climate theory essentially is a theory about organizations. Because every organization theory has all kinds of (explicit or implicit) assumptions (regarding organizational metaphor, organizational structuring, organizational change and development including appropriate change targets, leadership, determinants of human behavior in organizations), a fundamental question is as to what type of organization theory moral climate theories do refer or to which paradigm of organizational theory they are attached. Are organizations arranged in terms of a contingency approach (as in the contributions of, for instance Henry Mintzberg)? Is an organization taken as the collection of narratives people tell about this organization? Are organizations systems of meaning of interpretation systems (Daft & Weick, 1984; Weick, 1995)? Do authors favor one or more of the images of organizations described by Morgan (1986): organizations as machines, as organisms, as brains, as cultures, as political systems, as psychic prisons, as flux and transformation, as instruments of domination? An interesting theoretical exercise would be explore the relationship between 'theories of the firm' and types of moral climate, for instance to discover that a view of organizations as mechanisms matches a Stage 2 moral climate type (labeled exchange climate). However, as emerged from reviewing moral climate contributions, only few expressed their own typical view on organizations, though some authors come close to the image of organizations as moral communities. Therefore, instead of considering "the theory of the firm", another entrance was chose to explain the dynamics of moral climate.

Concerning these dynamics, especially one central debate in organizational theory is relevant to business ethics: the system-action debate, and in its ontological slipstream the objectivism – subjectivism debate as well as the methodological holism – methodological individualism debate. As emerges throughout the business ethics literature, contributors to business ethics theory and practice essentially consider it a voluntaristic affair presupposing an 'ethical space', some margin to think about and act upon ethically about business and management. A less optimistic side of the debate stresses the environmental strains that limit the possibilities of thinking and acting ethically: culture follows structure, structure follows strategy, and strategy is determined by environmental parameters like competition, rivalry or fluctuations in the market.

In order to bridge the positions in these debates, Chudzikowski and Mayrhofer (2011, 21) suggest that interdisciplinary theory building can be fostered by identifying a grand social multilayered theory that can serve as a theoretical backbone and frame of reference. From this perspective, in the present study, the structuration theory of Giddens is preferred to, among others, the theory of communicative action of Habermas or the theory of practice of Bourdieu, when it comes to choose a theoretical framework to capture the structure-action and related issues in the field of business ethics, and more in particular, moral climate theory.

Concerning Habermas: although the contribution of Habermas is relevant to the post-conventional morality, I consider it of limited value for organization theory. Van de Ven (1998) seeks an ethical space in organizations in which communicative action with respect to ethical issues is possible. However, from a pure theoretical stance this is impossible: organizations belong to the system world, in which only manifest or latent strategic action can occur. This leaves little or no room for "Verständigung", because the conditions for communicative action are not met in the practice of many if not all organizations.

Within the premises of the theory of Habermas, communicative action can only take place in the life world. Even when the strict relationship between communicative action and life world on the one hand and strategic action and the system world on the other hand is abandoned, and communicative action is considered possible also in the system world, Habermas' contribution to organization theory is necessarily limited to the formulation of general and abstract conditions for communicative action, while saying little about the organizational context in which interpersonal communication and person-situation interaction take place.

Bourdieu's theory of practice (Bourdieu, 1976; 1991; 1986a; 1986b; Bourdieu & Wacquant, 1992) is also not favored as the grand theory that helps to integrate or even reconcile opposing positions. Both the theory of practice of Bourdieu and the structuration theory of Giddens are meant as overarching theories overcoming dualities (micro-macro, structure-action, positivist-interpretist, holism-individualism), thus criticizing both mechanical structuralism and teleological individualism for being false antinomies. Both are initially not designed as an organization theory. Both theories are rather abstract and general, with at times badly defined neologically formulated key concepts. Structuration is more a programmatic device than a clear cut scientific term, whereas concepts used by Bourdieu – including forms of capital (economic, social, cultural, and its symbolic forms), field as specialist domains of practice, habitus (durable and transportable dispositions), position-taking, doxa (deeply internalized presuppositions), and illusio (belief in the game) – function more like sensitizing concepts than as well operationalized scientific terms. Of interest is Bourdieu's emphasis on power relations between positions and domination, an issue seemingly underexposed by Giddens, despite the insight that agency implies power (Giddens, 1984, 9). As Emirbayer and Johnson (2008, 30) note, the structuration theory of Giddens lacks Bourdieu's complementary concerns with fields as spaces of powers and (political and ideological) struggles and with habitus as generative principles of strategies of action in relation to such fields.

Apart from inherent terminological issues, there is the problem of the reception of Bourdieu's theory of practice. Elements of Bourdieu's theory of practice (and of structuration theory, too) are adopted with new institutionalism (see, for instance, DiMaggio, 1979; DiMaggio & Powell, 1983; DiMaggio & Powell, 1991; Granovetter, 1985; Meyer & Rowan, 1991; Powell, 1990; 1991; Zucker, 1987), though not in its integrated meaning, possibly at the expense of proper understanding and doing justice to the theory of Bourdieu. Nevertheless, attempts have been made to apply (parts of) Bourdieu's theory of practice to organizations (notably, Dobbin, 2008; Emirbayer & Johnson, 2008; Fligstein, 2001; Nahapiet & Ghoslal, 1998; Özbilgin & Tali, 2005; Swartz, 2008, and the new institutionlists just mentioned). Yet, according to Emirbayer and Johnson (2008, 54), empirical research using the full range of Bourdieu's theory of practice seems to be scarce.

Considered from a more remote distance, Bourdieu's theory is equally touched by the reproach of being too deterministic and objectivistic as Giddens's theory is criticized for being too voluntaristic and subjectivistic (see also, Callinicos, 1999; Crossley, 2001; King, 2000; Schatzki, 1997; Sewell, 1992). This may be due to the fact that in Bourdieu's theory puts far less emphasis on the phenomenon of reflexivity, a key concept in the works of Giddens. Therefore, specifically, structuration theory, more than Bourdieu's theory of practice, is helpful in elucidating the person-situation interaction by identifying possible constraints on human action, especially because of its focus on discourse. Therefore, Giddens seems more successfully overcoming the structure-agency antinomy than Bourdieu's theory does. Informative representations, extensions, and criticisms of structuration theory can be found on numerous places (for instance, Bryant & Jary, 1991; Busco, 1989; Cohen, 1989; Craib, 1992; Dickie-Clark, 1986; Giddens, 1994; Heracleous & Hendry, 2000; Jones, 1999; Kim, 2009; Layder, 1987; Macintosh & Scapens, 1990; Mouzelis, 1989; Stones, 2005; Thompson, 1989; Tucker, 1998; Whittington, 1992). Notwithstanding the critical notions put forward, it would be an interesting elaboration to reformulate moral climate theory in terms of Bourdieu's theory of practice. This might involve some concept of moral capital within (inter)organizational fields (Bennink, 2012), while reconsidering the concept of

habitus (featuring individual cognitive moral development as an important element) and the various forms of capital from the perspective of power relations, based on perspectives just mentioned. However, in the present study, structuration is favored for reasons mentioned earlier. On several occasions in the main text, the way structuration theory can be used in moral climate theory and research, is discussed.

[13] Three approaches can be distinguished, all three being relevant to moral climate theory. Interpretive approaches conceptualize discourse as communicative action that is constructive of social and organizational reality. Instrumental or managerialist approaches view discourse as a tool at actors' disposal, for facilitating managerially relevant processes and outcomes such as effective leadership and organizational change. Critical approaches conceptualize discourse as power–knowledge relationships, constitutive of subjects' identities and of societal structures of domination. According to Heracleous and Hendry, interpretive and managerialist conceptualizations of discourse have proved immensely valuable, but in privileging the action level, they have constrained researchers from exploring the deeper discursive and social structures in which both communicator and receiver are situated, on which the very possibility of intentional communication depends, and through which that possibility is both enabled and constrained. The critical conceptualization of discourse as socially embedded power–knowledge relationships is much more sensitive to these aspects of social structure and context, but its decentering of the subject leaves no place for the individual as an active agent and affords no prospect of relating the structural level to the primary concerns of managers or mainstream management scholars (Heracleous & Hendry, 2000, 1252, 1254-1259).

[14] Differences between discourse analysis (DA) and conversation analysis (CA) can be explained as follows. According to Paltridge (2006, 2), DA focuses on knowledge about language beyond the word, clause, phrase, and sentence that is needed for successful communication. It looks at patterns of language across texts and considers the relationship between language and the social and cultural contexts in which it is used. DA also considers the ways that the use of language presents different views of the world and different understandings it examines how the use of language is influenced by relationships between participants as well as the effects the use of language has upon social identities and relations. It also considers how views of the world and identities, are constructed using discourse. In critical discourse analysis (CDA) (Rogers et al, 2005), the role of language is revealed as it relates to ideology, power, and (sociocultural) change), while scientists study the situated and historical relation between texts and social practices. From this perspective, Fairclough (1992, 4) constructed a three dimensional framework, consisting of the *text dimension* (the actual content, structure, and meaning of a text examined), the *discursive practice dimension* (the form of discursive interaction used to communicate meaning and beliefs), and the *social practice dimension* (consideration of the social context of the discursive event). From another quarter, in the introduction of their handbook of organizational discourse, Grant, Hardy, Oswick, and Putnam (2004, 3-8) distinguished four domains of discourse, including *conversation and dialogue* (1), *narratives and stories* (2), *rhetoric* (strategies of persuasion and argumentation) (3), and *tropes* (including irony, metaphor, synecdoche, and metonymy) (4). Put briefly, DA focuses on content and (negotiated) meaning of spoken (or written) texts produced to create meaningful social order.
Concerning CA: many authors consider CA as a subclass of DA focusing on form and structure of communication (turn taking, adjacency pairs, sequences, repair, overall structure and preferred structure of conversation, as well as paralinguistic features of talk) (Flick, 2006, 320, 323, 324, 326; Levinson, 1983, 294-370).
[15] Contrary to this line of thought, Patterson, Payne, and West (1996, 1683, 1684, 1686) found no meaningful social collectives of people seeing the organization in similar ways based on common tasks and assignments organized in functional domains in a circumscribed physical location and

communicative interactions strengthening and unifying their perceptions. An overall examination of the collective climates revealed that respondents, grouped together on agreement of climate perceptions, were remarkable only in the diversity of the different organization segments (regions, construction sites, and offices) to which they belonged. None of the collective climates contained any groups that reflected the social structure of the organization. Thus, the collective climates had no basis in the organizational groups investigated here, at least if climate is operationally defined in the way the authors did. Despite these findings, the line of thought to link moral climate to functional domains with delineated tasks and assignments is a promising idea.

[16] Dalton (1959, 57-65) used several entrees to construct his typology of cliques. Cliques can be vertical, horizontal, and random, and are symbiotic defensive, aggressive, or neutral. Vertical cliques can be either symbiotic or defensive, horizontal cliques are either aggressive or defensive, whereas random cliques are neutral. In *Vertical Symbiotic Cliques,* top persons help their subordinates, and vice versa. *Vertical Parasitic Clique* are often based on family ties or previous friendships and imply that subordinates get undue influence or power based on their association with higher ups, leading to distrust among other members. *Horizontal Defensive Cliques* may be brought on by crises, and exist across departments to fight a common evil. Usually they are temporary and inherently weak. *Horizontal Aggressive Cliques* are based on a drive to make changes beneficial to all clique members. Finally, *Random Cliques* intensify informal activities within the organization by crossing hierarchical and department boundaries, while its members share more friendship and social relations than formal goals that they cannot find in functional groups.

[17] Johns (2006, 391-395) distinguishes two levels of analysis when thinking about context, *omnibus* context and *discrete* context. The term omnibus refers to an entity that comprises many features or particulars, thus referring to context in a broad sense (examined in terms of who, what, when, where, and why, of, for instance, moral climate). As an example, key contextual conditions underlying time effects include secular trends, changing institutional patterns, evolving technology, major organizational change, social maturity effects, and accrued feedback as a course of action unfolds, but also specific events such as the assault on the Twin Towers, severe earthquakes, or hurricanes such as Katrina). Discrete context, however, refers to the particular situational variables or levers that shape behavior or attitudes or moderate relationships between variables. Discrete context can be viewed as nested within omnibus context such that the effects of omnibus context are mediated by discrete contextual variables or their interactions (for instance, task aspects such as autonomy, uncertainty, accountability, and resources, social aspects such as social structure and social influence, and physical aspects).

[18] Although the term strategic management is also known as a specific theoretical notion from within the strategic choice view on organizations (Astley & Van de Ven, 1983, 248-249), in this study it is used in a very general way. The assumption is that the notion of strategic management has been widely accepted as a key concept in management theory, as nowadays no organization can afford being not strategic in management.
In this study, I also refer to organization theory, business ethics and institutionalizing ethics in relation with strategic management. The connection is that in strategic management when executed on a scientific base, theories of organization and organizing are established auxiliary sciences. Business ethics is a rather new discipline, hoping to be integrated in the theory and practice of strategic management, theoretically by becoming a standard component in theorizing, and practically by institutionalizing ethics in the organization by means of specific intervention programs.

[19] The exact purport and meaning of corporate social responsibility is not explored in the present study. However, in the concluding chapters, I will discuss that purport and meaning of corporate social

responsibility may depend on differences in national cultures that may be more or less liberal or communitaristic, as well as on other nation-specific characteristics. This, of course, has implications for moral climate theory, since national culture may be an influencing factor, as it made clear in, among others, the work of Hofstede and associates and of Hampden-Turner and Trompenaars.

[20] This approach and conceptualization of business ethics does not seem to fit well into current typologies of approaches of business ethics. In their metatheoretical exploration of business ethics, Johnson and Smith (2002) attempt to clarify the diversity of business ethics by considering four distinct modes of engagement in business ethics: prescriptive ethics, descriptive ethics, postmodern ethics, and critical ethics. This diversity concerns the aims of business ethics, its organizational focus, the role of the business ethicist, how corporate codes of ethics are construed, and the internal contradictions and tensions that arise. The four constitutions of business ethics, reflecting different understandings of business ethics, arise as a result of the combination of constitutive assumptions about ethics (rationalist and skeptical) and social science (empiricist and constructivist).

	Social Science	
Ethics	**Empirist**	**Constructivist**
Rationalist	*1. Prescriptive Ethics*	*3. Critical Ethics*
Skeptical	*2. Descriptive Ethics*	*4. Postmodern Ethics*

(1) The *prescriptive* approach to business ethics articulates a desire to (re)establish some form of normative moral order to business by entailing a rationalist application of canonical normative ethical theory to business, but suffering from problems of legitimacy. (2) The *descriptive* approach is skeptical of any claim to transcendental moral authority. This systematic doubt derives from the relativistic premise that all ethical judgments are intimately connected with the cultures to which people defer and refer to in making sense of their worlds and in connecting their moral behavior. Because the descriptive approach is not skeptical with regard to epistemic assumptions about science and the world, descriptions of ethics-in-use are possible, for instance with the help of hermeneutical methods, or as thick ethnographic description of organizational culture(s). Business ethicists are no more or no less than neutral cultural diagnosticians. (3)The *postmodern* approach, reflecting influences of Foucault, Rorty and Bauman, rejects both descriptive and prescriptive approaches because both rationalism and empiricism are considered unsustainable. Instead, ethical diversity as narratives must be celebrated as incommensurable culturally-specific language games constructed in diverse forms of life, with plurality and toleration as the leitmotiv of postmodern business ethics and a liberating potential lying in the fragmentation, differentiation and multiplicity of experience. The role of the business ethicist becomes one of language game deconstructor encouraging both toleration and dissension, at the risk of being free of engagement ('anything goes', thus tacitly supporting the status quo by engendering a disempowering silence about current practices where the problems of individuals in organizations are safely placed behind philosophical double glazing and their cries are treated as interesting examples of discourse) because relativism must undermine the basis of critique and by implication abhor any subsequent intervention as this implies discursive closure. Critique becomes either a pointless juxtaposition of incommensurable narratives or the critic's unsustainable assertion of some epistemologically privileged metanarrative. (4) The *critical* approach, having it point of departure in the works of Habermas, represents a modified form of rationalism, a sociorationalism, where rational ethical knowledge is not located in the privileged reasoning of the individual mind but is the outcome of consensus embedded in democratic social relationships. Objectivist illusions are avoided by drawing attention to the socio-cultural factors that influence sensory experience and by articulating constructivism based upon the object-constituting activities of epistemic human beings. Haunted by relativism, and to rescue the status of his own critique, Habermas put forward the 'ideal-speech situation',

as an intersubjective, turn, in which discursively produced sociorational consensus is induced when that consensus derives from argument and analysis without the resort to coercion, distortion, or duplicity, that is, freedom of internal and external constraints. Problems arise with regard to the identification and involvement of all potential communicants (to be conceived as stakeholders), as well as concerning unequal power between these communicants. Business ethicists should aim at fostering ethical discourse processes rather than focusing on ethical content. Thus, an outcome of critical business ethics could be the inquiry of change: where the business ethicist facilitates the identification and pursuit of alternative ethical practices, dispositions and ends that result in 'socially' transformative' actions which are commensurable with subjects' interests.
In the present approach of business ethics, the *postmodern* approach is clearly rejected as either futile or self-contradictory. The *descriptive* approach, current in moral climate research, is considered inadequate in contexts asking for moral decisions or programs of intervention. Therefore, a *prescriptive* approach is inevitable, if possible, ideally designed according to suggestions from by the *critical* approach (for instance, as stakeholder dialogue). In the present, study the prescriptive and the critical approach are considered from a developmental point of view, as will be shown in the concluding chapters.

[21] In their discussion of the possible relations between the two orientations, Treviño and Weaver (2003, 23, 28-43) discuss three options, the parallel, the symbiotic, and the theoretical hybrid, integrative option. The first option avoids any connection between the two orientations seen as incommensurable and parallel lines only crossing in infinity, whereas the second option is a kind of "marriage of convenience" leaving the substantive theory, metatheoretical assumptions, and methodology of each approach unaltered, each orientation yet pragmatically benefitting from the scrutiny of the other. The third option is a form of integration that would merge the normative and the empirical orientations at the substantive theoretical level in a manner that actually would create a new breed of theory with its own assumptions, theories, issues, and methods (Kohlbergian theory and the structuration theory of Giddens as historic examples, and moral climate theory as a future perspective). Treviño and Weaver (2003, 32) disclaim the parallel option, because parallelist empirical inquiry risks losing the very legitimacy and independence that empirical purity allegedly would bestow, and parallelist normative inquiry risks irrelevance and self-defeating application. The symbiotic option is acclaimed as the second best, having both merits (for instance, cross-disciplinary criticisms) and limits (the unstable relationship between the orientations in actual research). Of course, there is the possibility to slide into a form on integration. As Treviño and Weaver (2003, 36) put it: "If one considers the ways in which the categories of one field can be used to frame or structure the inquiries of another, however, it is not clear why or how one should stop of thinking in terms of a single field of inquiry, rather than two related fields". The option to be cherished is the integrative option, asking for recognizing and embracing the incorporation of evaluative claims and categories into empirical work or, more forcefully, rejecting the very idea of distinguishing normative and empirical claims (Treviño & Weaver, 2003, 37). *Conceptual importation*, *theoretical reciprocity*, and *theoretical unity* are three varieties of hybridization. In the first variation, one field invokes the concepts of another in the basic framework of its theorizing. Minimally, this means that the organizational scientist studying business *ethics* must acknowledge and deal with the normative character of moral concept, and the philosopher studying *business* ethics must acknowledge the relevance of the practical business context within which this moral agency occurs. In the second variation, an overall explanatory framework incorporates both empirical and normative theories, whereas the framework's success in providing either an empirical description or normative evaluation of some phenomenon depends, respectively, on its normative or empirical adequacy (as in Kohlberg's theory). The third variation rejects the distinction between the normative and the empirical as metatheoretically and methodologically untenable (for instance, because the position of normatively neutral descriptions of human activity is denied, and any research linked to decision-making is normatively). The theoretical unity option is not unproblematic,

mainly because of its demanding nature and the possibility of hostility and criticism from multiple quarters because, by definition, it breaks more rules and steps on more toes than the run-of-the-mill empirical or normative study remaining within conventional boundaries do (Treviño & Weaver, 2003, 37-38, 41-42).
To Treviño and Weaver (2003, 43), full theoretical integration faces a more difficult future than does the symbiosis option, because of four burdens imposed on researchers and theorists: (1) full-fledged involvement in the two orientations simultaneously, (2) the potential challenge of developing a new set of terms, methods, and (meta)theories, (3) an inevitably long-term research effort, and (4) subjecting oneself to simultaneous criticism from all theorists failing to grasp or appreciating the character of integrative work.
Finally, and put between brackets: the theory of Victor and Cullen, given by Treviño and Weaver (2003, 40, 41) as an example of theoretical integration, may be badly chosen, because Victor and Cullen do in fact neglect the normative aspects of their ethical climate concept to a large degree (as will be discussed in chapter 5 of the present study).

[22] Co-citation analysis is a bibliometric technique, information scientists use to map the intellectual structure of a research field. Co-citation analysis involves counting documents from a chosen field – paired or co-cited documents. Co-citation analysis compiles co-citation scores in matrix form and statistically scales them to capture a snapshot at a distinct point in time of what actually is a changing and evolving structure of knowledge (Ma, 2010, 4; White & Griffith, 1981; White & McCain, 1991; White & McCain, 1998). The genealogical exercise reported of in chapters 2 and 5 of the present study shares the purpose of co-citation analysis – mapping and structuring the territory – but lacks it statistical rigor.

[23] Jeurissen (2000) discusses this social function from three perspectives, including the social contract model (Donaldson), the dialogue model (Steinmann and Löhr), and the institutional framework model (Homann and Blome-Drees). Jeurissen shows how fundamental approaches to business ethics involve the social function of ethics, in terms of a legitimizing social contract between organizations and society to foster integration of the organization into its surrounding society, the moral responsibility of managers for contributing to peace and solidarity in society, and as an effort to overcome the closed-mindedness of the economic paradigm, respectively. Jeurissen also discusses criticisms of business ethics, including its alleged economic non-functionality, economic dysfunctionality, bureaucratic non-functionality, and bureaucratic dysfunctionality. However, these criticisms are ideological in nature, departing from idealized conceptions of economy ("the perfect market"), bureaucracy ("the formal organization as a rational, social arrangement"), and the law ("legitimate transformation of all moral input into non-contradictory legal rules without system short-circuits"). According to Jeurissen, the reifications and idealizations of functionally specified subsystems produce an abstract surplus of legitimacy that cannot be fulfilled by the real relations in the world of economy and bureaucracy, and hence become ideological. Seeing through and criticizing these ideologies on the micro-level in organizations is an important task of business ethics. However, Jeurissen (2000, 839-840) warns business ethics for being ideological itself, for instance when demanding uncritical "ethicization" of the firm while ignoring economic conditions such as competition and denouncing organizations for some pseudo-illegitimacy (a theme resumed in chapter 4 of the present study).

Chapter 2: notes

[24] It should be noted that foundational inquiry is not meta-analysis in the strict sense as coined by Glass (1976, 3) to term already existing procedures (Cooper, 1982; Green & Hall, 1984). Meta-analysis in this strict sense is a perspective taken by specialized scholars to retrieve, summarize and integrate results from

existing quantitative studies (with vast amounts of findings) to reveal patterns of relatively invariant underlying relationships and causalities, the establishment of which will constitute general principles, cumulative knowledge, develop substantially validated theories, and identify possible areas of future research unaddressed yet". It can even justify the conclusion "No more research is needed!" Meta-analysis records methodological weaknesses and hence corrects the effects of sampling errors, measurement error, biased sampling, dichotomization, data errors, and ambiguous causal as well as unknown third variables distorting raw data. In this sense, meta-analysis can estimate effect sizes, that is, consider what the findings would have been if alls studies involved had been conducted perfectly by encoding and analyze statistics in quantitative research studies. However, in order to conduct meta-analysis, research findings must preferably be conceptually comparable (deal with the same constructs and relationships), have common hypotheses, be based on the same research design, and be configured in similar statistical forms in order to avoid mixing and comparing apples and oranges (except if the focus of the research interest is fruit). This means the formulation of eligibility criteria, concerning distinguishing features, research respondents, key variables, research methods, cultural and linguistic range, time frame, and publication types (Glass, McGraw & Smith, 1981, 21, 22, 24; Green & Hall, 1984, 38, 44-45; Hunter & Schmidt, 2004, 12, 16, 17, 21, 24-25, 30, 31, 470; Lipsey & Wilson, 2001, 2-3, 5-7, 9, 16-23; Schulze, 2004, 10). In addition, is worth noting that Bangert-Drowns (1986) distinguished five methods of meta-analysis, whereas Cooper (2000), Hunter & Schmidt (2004), Lipsey & Wilson (2001), and Schulze (2004) described research approaches, stages and procedures concerning meta-analysis. Though in the domain of management science, meta-analysis has been conducted concerning, for instance, the relationship between job satisfaction and absenteeism, between job performance and turnover, between job satisfaction and turnover, and effects of realistic job previews on employee turnover, performance, and satisfaction, it will be clear that moral climate research cannot be such type of meta-analysis yet. Concepts, research methods, sample characteristics, and procedures for data collection and analysis are not consistent across studies. The typological model of Victor and Cullen could have been a serious candidate for meta-analysis, if the typology and the questionnaire had been not adapted for every subsequent survey. For this reason, the procedure label as meta-analysis and conducted by Martin and Cullen (2006) to investigate typology and model, could not have been a true meta-analysis, which may undergird or even explain the critique of Dion (2008, 367) who criticized the conclusions of Martin and Cullen. According to Dion, a number of fit indices reported by the authors revealed that the data did not fit their theoretical model and thus the conclusion of the authors that the model was "promising" is unwarranted. In their reply, Martin and Cullen (2009, 763, 764), maintain the value of their meta-analysis while blaming Dion for not considering the true intent, meta-analytic context, and contribution of their 2006 paper properly, though recognizing that because of the variety of texts there will necessarily be more noise and a greater degree of inconsistency among aggregated data. The quality of any meta-analytic interpretation is only as good as the data extracted from initial research (mindful of garbage, garbage out principle). Nevertheless, the impression refuses to lie down that Martin and Kelly are unaware of the methodological requirements for conducing sound meta-analytic research. Though their paper gives a clear account of the current state of ethical climate research, it is not meta-analysis conducted along the lines specified above.

To be conclusive, foundational inquiry is not meta-analysis in the strict sense, but can take advantage of some of its methodological suggestions, for instance concerning the inclusion or exclusion or texts), coding procedures, and presentation of findings (for instance, Hunter & Schmidt, 2004, 468-572).

[25] Concerning triangulation, the idea is older than the term, since mixed method research was practiced on a regular basis ever since (for instance, combining interviews and participant observation) (Blaikie, 1991, 115). In its most general sense, triangulating serves multiple purposes including corroboration or even convergence (establishing validity), elaboration (expanded understanding), initiation (reformulation

research questions because of non-divergent/contradictory data) (Blaikie, 2000, 267; Flick, 2006, 40). Thurmond (2001) gives a systematic account of the issue of triangulation by exploring various types of triangulation strategies and by indicate when different types of triangulation should be used in research. Her starting point is the desire of researchers to design studies that will not only give a multidimensional perspective of the phenomenon, but will also provide rich, unbiased data that can be interpreted with a comfortable degree of assurance. Triangulation is the combination of at least two or more theoretical perspectives, methodological approaches, data sources, investigators, or methods for gathering and analyzing data within the same study, resulting in data triangulation, investigator triangulation, methodological triangulation, theoretical triangulation, or analytical triangulation (Baarda, De Goede & Teunissen, 2005, 188). The intent of using triangulation is to decrease, negate, or counterbalance the deficiencies and biases of a single methodological strategy, thereby increasing the ability to interpret the findings. The idea is creating a potential for counterbalancing the flaws and weaknesses of one method with the strengths of another.

Of special relevance is *methodological triangulation*, also called multi-method, mixed-method, or methods triangulation (Jick, 1979). The term methodological triangulation has its confusing elements, as it can refer to either data collection methods and techniques or research designs. In particular, methodological triangulation has been discussed in reference to qualitative and quantitative methods, that is, a "between methods" approach. Methodological triangulation can be classified into two types, within-method triangulation and between- or across-methods triangulation. Researchers using within-method triangulation use at least two data-collection procedures from the same design approach. For quantitative approaches, the procedures could consist of administering survey questionnaires and using preexisting information from a database. In qualitative approaches, non-participant observations could be combined with focus group interviews. These methods are either qualitative or quantitative, but not both. Researchers using between- or across-method triangulation employ both qualitative and quantitative data collection methods in the same study (Denzin, 1978, 301-302). Within-method triangulation essentially involves crosschecking for internal consistency or reliability while between-methods triangulation tests the degree of external validity (Jick, 1979, 603).

Also relevant to moral climate research is *theoretical triangulation*, the use of multiple theories or hypotheses when examining a phenomenon. The intent is to conduct the study with multiple lenses and questions in mind, to lend support to or refute findings. In theoretical triangulation, the perspectives or hypotheses used in the study may be related or have opposing viewpoints, depending on what the researcher hopes to accomplish. Theoretical triangulation may be used to test various theories by analyzing information from the same data set (2001, 254).

The alleged benefits of methodological triangulation include increasing confidence in research data, creating innovative ways of understanding a phenomenon, revealing unique findings, challenging or integrating theories, and providing a clearer understanding of the problem through better construct validity. Blending qualitative and quantitative approaches is possible, especially when these approaches have similar axiologies, that is, are similar in their objectives, scope, and nature of inquiry across methods and paradigms. Methodological triangulation has the potential of exposing unique differences or meaningful information that may have remained undiscovered with the use of only one approach or data collection technique in the study (2001, 255).

Theoretical triangulation has the benefit of providing a broader and/or deeper analysis of findings. Rival hypotheses may challenge researchers to look beyond the obvious explanations. Multiple perspectives can help rule out competing hypotheses, prevent premature acceptance of plausible explanations, and increase confidence in developing concepts or constructs in theory development (2001, 256). According to Jick (1979, 609), triangulation may also help to uncover the deviant or off-quadrant dimension of a phenomenon. Different viewpoints are likely to produce some elements not fitting a theory or a model. Thus, old theories are refashioned or new theories developed. The use of mixed methods can also lead to

a synthesis or integration of theories, that is, efforts to bring diverse theories to bear on a common problem. Finally, triangulation may also serve as the critical test, by virtue of its comprehensiveness, for competing theories.

Jick (1979, 609) emphasizes the benefits of qualitative approaches in triangulation. As he puts it, researchers using qualitative methods are likely to sustain a profitable closeness to the situation allowing greater sensitivity to the multiple sources of data. Qualitative data and analysis function as the glue that cements the interpretation of multi-method results. In one respect, qualitative data are used as the critical counter point to quantitative methods. In another respect, the analysis benefits from the perceptions drawn from personal experiences and firsthand observations, and enriches and brightens the portrait. Finally, the convergent approach utilizes qualitative methods to illuminate behavior in its context where situational factors play a prominent role.

Thurmond (2001, 256) points at the disadvantages of triangulation, too, including (a) the increased amount of time needed in comparison to single strategies, (b) difficulty of dealing with the vast amount of data, (c) potential disharmony based on investigator biases, (d) conflicts because of theoretical frameworks, and (e) lack of understanding about why triangulation strategies were used. In addition, Jick (1979, 609) also mentions difficulties with replication a mixed-methods package, notably its qualitative part. To be more specific, triangulation may not add to the study, for instance, and the idea of "more is better" may even result in diluting the possible effectiveness of triangulation. Including multiple methods cannot compensate for a poorly designed and poorly conducted study asking 'wrong' questions. The potential of increasing error exists if considerable thought has not gone into planning the study. Other disadvantages the overload of data, perhaps resulting in false interpretations of the phenomenon being studied. Furthermore, (a) differences in epistemological stance may cause conflict about the research design; (b) the increased expense of multi-method research may be a strong barrier; (c) investigator expertise may be lacking in either method; (d) difficulty in meshing numerical and narrative data to understand the phenomenon; and (e) reluctance of some editors to publish multi-method works (2001, 256). It may be tempting to combine a qualitative and quantitative approach in the same study, hoping that the strength of one might outweigh the weakness of the other. However, the accuracies of data from one approach may not necessarily lessen the inaccuracies of the other. In methods triangulation, the primary method must be rigorous enough to be able to sustain the study by itself, while the added method contributes to the strength of the research (2001, 257). Furthermore,

Finally, theoretical triangulation, intended to increase the confidence of the accepted hypothesis or theory, when the data findings are tested against an opposing hypothesis or theoretical framework, can create confusion if the frameworks are not initially identified, or if concepts within theoretical frameworks are not adequately defined. Furthermore, findings do not become more valid and credible simply because they were supported by similar theories, which may have interrelated constructs and concepts. Interpreting the concepts may be difficult when they were poorly differentiated and overlap with the competing theories.

In sum, triangulation is no miracle cure to arrive at convergent and hence, better results or valid constructs. According to Thurmond (2001, 257), the main caveat is to consider triangulation only if strong justification can be made for it, and be clear about what the researcher hopes to gain from this strategy in the study of a phenomenon.

In addition to possible disadvantages of triangulation, the idea itself is challenged and even refuted. From a post-modern angle, Richardson (2000, 934) offers the concept of *crystallization* as an alternative to triangulation. According to Richardson, methodological triangulation carries the same domain assumptions, including the assumption that there is fixed point or object that can be triangulated. Since there far more than three sides from which to approach the world, we should not triangulate but crystallize. Richardson proposes that the central imaginary for validity is not the triangle - a rigid, fixed, two-dimensional object, but the crystal. The crystal combines symmetry and substance with an infinite

variety of shapes, substances, transmutations, multidimensionalities, and angles of approach. Crystals grow, change, alter, but are not amorphous. Crystals are prisms reflecting externalities and refract within themselves, creating different colors, patterns, and arrays, casting off in different directions. What we see depends upon our angle of repose. Therefore, Richardson advocates crystallization instead of triangulation. From a postmodern perspective, we have moved from plane geometry to light theory, where light can be both waves and particles. Without losing structure, crystallization deconstructs the traditional idea of validity – we feel how there is no single truth – and crystallization provides us with a deepened, complex, thoroughly partial, understanding of the topic. Paradoxically, Richardson continues, we know more and doubt what we know. Ingeniously, we know there is always more to know. Unfortunately, Richardson's argumentation is not very convincing, since no distinction is maintained between the different forms of triangulation. Moreover, triangulation was never meant to be restricted to three angles, only metaphorically so. In fact, Richardson exchanges one metaphor for another without properly capturing the difficulties that are inherent to both triangulation and crystallization. What then, are these difficulties?

According to Blaikie, (1991, 115; 2000, 270), the use of triangulation has been plagued with a lack of awareness of the different and incommensurate ontological and epistemological assumptions associated with various theories and methods, perhaps leading to the tendency to impose a single absolutist ontology on social realities. While some combinations of methods have been used with common ontologies and epistemologies, serious problems may emerge, though perhaps not recognized, when methods based on different assumptions are used. As Fielding and Fielding (1986, 33) put it, theoretical triangulation does not necessarily reduce bias, nor does methodological triangulation necessarily increase validity. Theories are generally the product of quite different traditions, so when they are combined one may get a fuller picture, though not necessarily a more "objective" one. Similarly, different methods have emerged as a product of different theoretical traditions, and therefore combining them can add range and depth, but not accuracy. Blaikie (1991, 119-120) points at the problem that triangulation is regarded differently by adherents to the various theories of science and there diverging ontological and epistemological assumptions concerning the logic of theory construction, what counts as data, criteria of validity, and views on the particular nature of social reality. At this point, I would suggest not to adopt the term metatriangulation to indicate paradigm triangulation or triangulation of perspectives, as was suggested by Gioia and Pitré (1990, 596) and Lewis and Grimes (1999, 673, 676), since at best, this term is superfluous, and at worst, misleading because there is nothing 'meta' about it other than is already included in the term paradigm or perspective. Blaikie (1991, 210-122, 123; 2000, 271) compares reconstructions of positivism, interpretivism, and realism, respectively, in terms of their ontology, epistemology, and methodology, and discusses the issue of the meaning of comparing data from different position concerning their consistency and convergence. Insofar as these perspectives are regarded as being incompatible, or even incommensurable, they cannot be regarded as exclusive boxes into which all social research can be classified (see also Wolfram Cox & Hassard, 2005, who discuss the possibilities of post-positivist triangulation in terms of "metaphorization"). As Blaikie concludes, triangulation is much more problematic for eclectic interpretivists, unreflective ethnographers, and wayward ethnomethodologists than it is for positivists, or possibly for Realists. It has no relevance for genuine interpretivists and ethnomethodologists. Anyhow, triangulation means many things to many people.

Does this mean that methodological triangulation is only possible within paradigms or are their transition zones, as is explored by Gioia and Pitré (1990) and Lewis and Grimes (1999)? For instance, different paradigms can be used parallel, using different lenses. They can also be used sequentially, based on switching from assumptions, such that each in turn provides a basis for the development of subsequent stages of the research process (Lewis & Grimes, 1999, 675). Nevertheless, Blaikie (1991, 131; 2000, 265, 273-275) suggests a moratorium on the use of the concept of triangulation in social research for being misleading. Since there is no necessary connection between paradigms or perspectives, research strategies

and methods of data collection and analysis (methods can serve a number of masters), Blaikie also suggests identifying appropriate and inappropriate combinations of methods and data sources, in light of the incommensurability of ontological and epistemological assumptions of methodological perspectives, and to develop suitable new labels for legitimate combinations (depending on the research objectives, the social context, and practical contingencies), much in the way advocated by Sieber (1973) concerning the integration of fieldwork and survey methods.
Therefore, within the context of business ethics research, methodological triangulation might enhance the completeness and confirmation of data, since most moral climate research is of the positivist kind. The use of both quantitative and qualitative strategies in the same study is a viable option to obtain complementary findings and to strengthen research results, but only if appropriate and inappropriate combination methods has been sorted out to assure legitimate combinations. If different philosophic and research traditions will help to answer a research question more completely, then researchers should use triangulation. However, using multiple methods may be time-consuming and expensive. In many of the moral climate research projects, surveys are used as the only way of gathering data, either with a sample size that is too small to arrive at valid results or with questionnaires that can be completed in a short amount of time. In those cases, additional research could consist of interviews and/or participant observation and/or conversation, discourse and narrative analysis. However, to do so, access to organizations is required, as well as the kind cooperation of those in charge. Exactly at this point, essential hindrances for business ethics research occur to get a proper idea of what really happens.

[26] The emic-etic debate, originating from cultural anthropology, essentially states that thoughts and behavior of participants can be viewed from two different perspectives: from the perspective of the participants themselves and from the perspective of the observers with their own terminology and categories. In both instances, scientific, objective accounts of the mental and behavioral fields are possible. In the first instance - the emic of studying culture - the observers employ concepts and distinctions that are meaningful and appropriate to the participants, while in the second instance - the etic way of studying culture - they employ concepts and distinctions that are meaningful and appropriate to the observers. These two views imply important differences. The test of the adequacy of emic descriptions and analyses is their correspondence with a view of the world participants accept as real, meaningful, or appropriate. Research in the emic mode attempts to acquire knowledge of the categories and rules one must know in order to think and act as a participant ('going native'). The test of the adequacy of etic accounts is simply their ability to generate scientifically productive theories about the causes of socio-cultural differences and similarities. Rather than employing concepts that are necessarily real, meaningful, and appropriate from an insider point of view, categories and rules are derived from the data language of science that are often unfamiliar to insider participants. The etic mode often involves the measurement and juxtaposition of (patterns of) activities and events that insider informants find inappropriate or meaningless, or were unaware of until the moment of research (Harris, 1980, 115-116).

[27] Trevinõ and Weaver (2003, 303) explain this practice by pointing at corporate attorneys having the task to approve business ethics research, and are almost always reluctant to do so while being concerned about the discoverability of troublesome data in court. As they conclude, clearly, the current legal environment discourages companies from self-assessment in the areas of ethics and legal compliance, making it difficult for business ethics researchers to gain access to organizations, in particular if unethical or illegal conduct is the dependent variable of interest.

[28] I hesitate to call moral climate theory a paradigm at this moment, not to speak of different paradigms within moral climate theory. Gioia and Pitré (1990), 585) define a paradigm in terms of a general perspective or way of thinking reflecting fundamental beliefs and assumptions about the nature of (in this

case) organizations. These assumptions concern the nature of organizational phenomena (ontology), the nature of knowledge about these phenomena (epistemology), and the nature of ways studying those phenomena (methodology). According to Burrell (1986, 647), a true paradigm marks out - in an agreed and deep-seated sense - a way of seeing the world and how it should be studied. In a true paradigm, this view is shared by a group of scientists who live in a community marked by a common conceptual language, who seek to build upon a shared conceptual edifice and who are possessed of a very defensive political posture to outsiders. In this way, the Victor and Cullen based strand of research projects can be considered a paradigm.

[29] Genealogy resembles author cocitation analysis as a way to map the territory and intellectual structure of an area of science, though there are differences as well. Cocitation of authors results when someone cites any work by any other author in a new document of his own. The more authors are cited together, the closer the relationship between them, to be visualized in a map of that area of science. It also identifies and locates authors who are rarely or never cited. Doing so, it identifies the centrality and peripherality of authors within groups and with respect to the overall field (as did Ma, 2010, for business ethics literature), and may be helpful to discover patterns of research productivity and bibliometric distributions across authors (Talukhar, 2010; Tischer et al, 2000, 215-225). Author cocitation analysis (ACA) is a set of data gathering, analytical, and graphic displaying techniques that can be used to produce empirical maps of prominent authors in various areas of scholarship, that is, visualizing its intellectual structure and detect intelligible coherence as well as changes in literatures over time. The basic idea is that the most cited work arguably makes up the canonical literature of the field by relating writings to use while considering literatures as modes of communication. Of course, this is not a substitute for extensive reading and fine-grained content analysis (McCain, 1986, 111; McCain, 1990, 433; White & Griffith, 1981, 163; White & McCain, 1998, 327, 328, 329, 353).
There are two approaches, differing in important respects. In the first approach, the cited *document* is the unit of analysis. The cluster of frequently cocited documents are generated through computer processing of an entire annual or multi-year citation file, without previous selection of papers. The major controls exerted by the researchers are the selection of citation and cocitation thresholds above which papers will be retrieved, and the choice of the clustering algorithm linking the papers together. Clustered works are automatically identified, based first on being highly cited in their own right, and then on the frequency with which they are jointly cited – cocited – in reference lists. In the other approach, ACA, frequently cited and cocited *authors* are the unit of analysis, such that each author's name is assumed to represent all or part of his or her published, cited *oeuvre* (McCain, 1986, 119). In starting out, researchers must select a set of author's names. Standard bibliographic retrieval techniques are used to gather the counts of papers citing each author's total output and citing works by two different authors. Mapping and other analysis, with many options, proceed from these counts. The method includes six steps: selection of authors, retrieval of cocitation frequencies, compilation of raw cocitation matrix, and convert to correlation matrix, multivariate of correlation matrix, and finally, interpretation and validation (McCain, 1990, 434). McCain (1986, 119) and White and McCain (1998, 354) also suggest to identify the author's *persona*, that is, an amalgam of information (or lack of information) about each author, including (but not limited to) scholarly, political, and institutional ties and affiliations, personal relationships, status, visibility, vocabularies, (changes in) role in the field, and shifting concerns and interests. Such an exercise might answer the question of the degree to which cocitation structures correspond to social structures (White & Griffith, 1981, 168).
The candidate list of authors can come from many resources, including personal knowledge, consultation with researchers in the area studied, surveys, textbooks, histories, scholarly monographs, review articles, directories, organizational membership and conference attendance rosters, lists of rewards, and, of course, browsing the Internet.

In the present study, genealogies are constructed by counting publications cited (instead of authors), without statistical analysis (since this is not the main aim of the study), but arriving at an intellectual mapping of the intellectual structure of moral climate theory. In addition, an image of authors' persona is constructed to check academic backgrounds and intellectual credits.

[30] It its ideal form, foundational analysis may include some form of "member check", in which those authors whose position has been described, analyzed, and criticized, are invited to give their reaction to the way their views are represented and reply to the critical remarks. A reason for doing so could be to offer the opportunity to correct definite misrepresentations or wrong emphases and to incorporate new insights emerging from the academic discussion (Hutjes & Van Buuren, 1992, 57). Because of practical reasons - hundreds of authors and their about three hundred publications acting in the present study - this type of member check has not been carried out, though it could have stimulated academic discussion.

[31] Foundational analysis is comparable to *conceptual analysis*, and may lead to similar results, although it differs from conceptual analysis in deciding respects. Briefly stated, in conceptual analysis the focus is on individual concepts, whereas in foundational analysis the focus is on the webs of presuppositions that create the conceptual space, and thereby are constitutive of the subject matter of (for instance) scientific theories (Van Haaften, 1997b, 45).
When conceptual analysis is defined as the description of the necessary conditions for correct use of scientific concepts, the results of such an enterprise may be poor for a number of reasons. Limitation to *necessary* conditions of meaning passes over richer and significant connotations. Even more serious however is that the necessary conditions of meaning are not only determined by the richness and shades of meaning of the particular concept, but also is made dependent of surrounding concepts in relation with which it is defined. These limits of meaning make descriptions either necessary or contingent. Another objection to conceptual analysis is that it is limited to language in use, while our conceptual richness also consists of non-language elements like moods, sounds, images, smells and tastes. A final objection is that concepts have developed their meaning within a specific language. Conceptual analysis is a description of the meaning in that specific language. However, for different groups of language users within that language community, concepts can have very different connotations (e.g., the concept of education). And for language users from other language communities other words can be in use to indicate the same underlying concept, or the same words (in translation) to indicate a quite different concept, like the German 'Erziehung' of 'Bildung', and the Dutch 'opvoeding', which are not covered up entirely by the term 'education'. Even the Dutch concept 'educatie' is quite different from 'education'. For these reasons, it is better not to look at single concepts, but at conceptual *systems* and their *foundations* and *principles*. Concepts never occur isolated, but exist only in relation with other concepts: a concept implies other concepts, and is on its turn implicated by other concepts, as we have suggested, in a rhizome-like manner. In this way it is better to speak of complex and dynamic networks of conceptual relations, conceptual systems in which a change in meaning of one concept has consequences for the meaning of other concepts.

Conceptual systems determine the way we experience reality, opening up and limiting at the same time. Conceptual systems imply a worldview of some kind, an image of man, or ideas about how to conduct science and do research (the hermeneutic conception of science is quite different from the empirical-analytical conception). Conceptual systems do more than constitute and regulate the way we experience reality; they also 'create' practices and generate activities.
Without conceptual systems a structured experience of reality and practical intervening in that domain of reality are impossible. In this sense moral climate theory offers us concepts ('moral climate', 'ethical work

climate', and the different types of moral climates) to structure our experience and give meaning to significant aspects of organizations (on the assumption that the concept of moral climate is a fruitful and an adequate concept). Moral climate theory assumes a certain significance of morality in organizations, and thereby an image of man as driven more or less by moral considerations. In moral climate research, assumptions are implied with regard to the proper way to gather data, and even with regard to what kinds of data need to be gathered. Finally moral climate theory generates practical activities like moral climate intervention programs as specific ways ethics is institutionalized in organizations.

In foundational inquiry, characteristic presuppositions of central concepts in conceptual system are examined, especially with regard to the way they guide and limit our experience of reality and create practices. This makes clear that conceptual analysis (determining the meaning, specifying the necessary conditions for correct use of certain words in a particular language) is not enough and only a starting point in foundational analysis. Foundational analysis is narrower and broader at the same time. It is narrower because it is about specific conceptual constellations within a language area: constellations that are characteristic for a particular theoretical school, or for ways of approaching problems that are analytically compared with other schools or approaches in that same language area. However, foundational inquiry is also broader than conceptual analysis, as is foundational analysis is aimed at the richest explication of characteristic central concepts, and this is more that specifying the necessary conditions for correct use. Foundational inquiry goes further and deeper, by revealing the founding principles that underlie concepts and the way they are justified (Snik, Van Haaften & Tellings, 1994, 292-293).

[32] Foundations can be classified in two rather distinct ways: they can be relative or absolute, and invariant or variant (Snik, Van Haaften & Tellings, 1994, 290-291; 296-297). The distinction between relative and absolute presuppositions is proposed by Collingwood in his *Essay on Metaphysics* (1940).
Relative presuppositions are the tacitly implied 'open spaces' in texts, presuppositions left out for reasons of convenience, indolence, conversational strategy. Relative presuppositions refer to everyday knowledge and can be reconstructed easily because of this generally shared knowledge. For example, in the linguistic utterances 'When will you stop taking gifts from clients?' or 'Why do you keep accepting gifts from clients?' is implied that some person (perhaps an alleged professional dealing with clients) is indeed taking gifts from clients. In addition, there is also the tacit normative presupposition that taking gifts in professional relations is wrong (the exact reason why not taking gifts from clients is an important issue in codes of professional conduct).
Absolute presuppositions are of a more profound type, and are the foundations and principles of linguistic utterances and their relative presuppositions that are to be 'detected' or reconstructed in foundational inquiry. In the question 'Why do you keep accepting gifts from clients' are also absolute presuppositions implied, not *that* accepting gifts is wrong, but *why* it is wrong. In the question 'When will you stop accepting gifts from clients?' is furthermore implied that this alleged professional is also capable of refusing gifts, and has the freedom of will to do so, on the base of recognized professional responsibilities. In foundational inquiry the absolute presuppositions for not taking gifts (that is, their founding principles) in professional relationships can be revealed, argumentation described and analyzed, and justifications evaluated.

This study on moral climate theory is in fact an investigation to absolute presuppositions of theoretical frames and typologies, empirical designs and practical intervention programs.
Invariant foundations are the categories we are inevitably caught in, like the transcendental categories Kant formulated: space and time, causality, possibility, reality and others, categories that are the sine qua non of our perceiving, thinking and acting. These categories are the constitution of human reason

and are claimed to be universal and inescapable. Other invariant foundations are formulated by Apel as the aprioris of the communication community: in the use of language, different aprioris are implied without which communication is not possible. The principles of non-contradiction and respect for people and their arguments cannot seriously be denied, because in denying them their very validity is presupposed and assumed.
Foundations of conceptual systems can be *variant* to the degree in which differ from culture to culture and from period to period, that is, they vary diachronically and synchronically. This is certainly the case for the foundations of moral climate theory, as will be demonstrated in this study. Simply because there are different conceptions of *morality* and of *climate* and *organization* as well, different perspectives on moral climates are possible.

[33] At this point, a remark needs to be made about the relation of foundational inquiry to the hermeneutic tradition. Hermeneutics are important in two distinct respects. In the first place, we have to deal with three 'hermeneutic' *levels of meaning*: the level of expressions, the deeper level of reasons underlying these expressions, and the still deeper level of foundational structures underlying both expressions and reasons (Van Haaften & Wren, 1997, 10).
Second, foundational inquiry *qua method* shows resemblance with hermeneutics: books, articles and research reports are reviewed critically on their explicit or hidden assumptions and presuppositions. This implies on some moments a reconstruction of those assumptions and presuppositions, sometimes coming close to interpretation. As such, it is not only explaining meanings, but also sometimes 'implaining' (in the sense of German term *'hineinlegen'*). In fact there is, according to Giddens 1976, 158) a 'double hermeneutic' (each with respect to the three levels of meaning distinguished above), because in everyday life in (and outside) organizations (and participants interpret their acts reciprocally (the first hermeneutic) and then social scientists make their own interpretations of these acts (the second hermeneutic), which also involves interpreting their own scientific acts. As Korthals (1997a, 71) concludes, the double hermeneutic has two kinds of implication for the social sciences: (a) on the input side, when analyzing social phenomena, and (b) on the output side, when publishing the results of this analysis. The first implication is that (also in moral climate research) one cannot overtake meanings already in use in everyday life, and that scientific reconstruction rather should be seen as a clarification, a new and possible fruitful interpretation that competes with already established nonscientific interpretations. The second implication is that scientific results are not automatically applicable to everyday life, but are in need of a translation. In moral climate research, an extra twist is supposed with regard to the influence of the stage of moral development of the researchers themselves: their actual (and so far highest) stage of moral development could bias their scientific activity (Van Haaften, 1997b, 52). As Korthals (1997, 72) puts it: theoreticians can only identify those stages that they have gone through or that they could have been in. The same point can be made with regard to any cultural bias that can limit theoretical understanding of (organizational) cultures.
For the present study, this means that I am reconstructing the foundations of a number of authors' (re)constructions of foundations of participants' perceptions and experiences of moral climate. In this sense, one could speak of a *threefold* hermeneutic, made necessary because of the meta-character of foundational inquiry.
The critical stance goes further than mere understanding and clarification. It tries to confront authors and their texts with possible inconsistencies or unforeseen and unexpected consequences. If necessary or desired, careful suggestions for improvement can be given, within or outside the frame of reference of the texts examined.

[34] This experience is not so much caused by problems of incommensurability. It is true that persistent logical or normative incommensurability tends to reduce interaction between schools of thought or

between individual scientists, since by definition, there is indeed no mutual agreed upon comparison standard to organize and structure such interaction. However, suggestions of incommensurability serve as a protection from competition, as an immunization strategy that allows 'contributors' to retreat into their 'stovepipes' (McKinley & Mone, 1998, 174). The possibility of academic discussions is thus reduced by this isolationist tendency. As is stressed by McKinley and Mone (op. cit.), this tendency is reinforced by the current value structure of organization studies, which promotes novelty, uniqueness, and the pursuit of within-school intellectual agenda's at the expense of empirical research programs designed to resolve inter-school incommensurability. Being interesting often seems more important than being general and communicative, while localism is celebrated as part of the postmodern rejection of totalizing 'metanarratives'. This isolationist tendency prevents the rise of a genuine school of (moral) climate theory and leads to what Burrell (1996, 644) has described in tower of Babylon like terms, altogether still a pre-paradigmatic situation.

[35] Foundational inquiry has a communicative aspect as well (Snik, Van Haaften & Tellings, 1985; Snik & Van Haaften, forthcoming). It is recommended always to present the results of foundational inquiry to the persons involved because of its inherent methodological tenuousness, as it inevitably is an interpretation and reconstruction on the part of the researcher. Interchange of results may prevent or if necessary, help put right inaccuracies, and may stimulate discussion and scientific and practical progress. Another reason for interchange is that it is the best guarantee that the foundational critique does not end in an ideological explanation of the others behavior, attitudes and viewpoints (behind their backs, so to speak) toward some third party, in which the persons involved only figure as objects of the explanation instead of being the subjects primarily concerned. This is one of the main reasons why this text was written in English and made accessible for the authors of the texts reviewed as they are predominantly British or American, or were published in English-language books and journals.

[36] Argyris (1979, 672) describes the special features of interpretive methods focusing on qualitative data. He advocates procedures that make qualitative data in what he calls 'action contexts' leading to , if possible, generalizable (that is, externally valid), propositions about invariant relationships among variables. According to Argyris (1979, 672) an action context may be said to exist where people may be observed talking and dealing with each other in order to achieve their purposes. The domain not only includes the face-to-face interaction but it includes contextual factors such as policies, bureaucratic games, group dynamics, and inter-group relations. An action context is an environment of extreme complexity, of which the complexity can rarely be attended to as a whole by human beings. In order to make sense out of the action context, we must extract from it information that we can organize into a pattern that itself is an act of deliberate design and typically requires abstraction. Hence, to deal with the action context we must create some objectifying distance from it. However, the key requirement is that we must eventually be able to return to the complexity of the action context and take action. At this point, differences exist between a quantitative approach and a qualitative approach. In quantitative research, the rules for creating distance from the action context are those satisfying the requirements of high precision that is reliably and easily replicable. Variables that are naturally coupled may be are decoupled and variables that are naturally uncoupled may be coupled. Hence, results may be difficult to return to the action context and take action. Hence, the knowledge is not usable by humans performing one of the most basic activities of everyday life. In qualitative research, the data consist of direct observations of conversations and actions (including maneuvers, defenses, camouflages, games) with subjective meanings and implicit logics based on cognitive maps and schemes. According to Argyris (1979, 673-674), in order to organize and explain these types of data, we must focus on the maps, schemata, or theories of action that people use to produce the qualitative data, in order to produce testable hypotheses.

[37] In business ethics research this will not be a common practice, since there are few variables allowing experimentation or that can even be controlled.

[38] This difference is not recognized and upheld by many authors. For instance, Gilligan and associates (following Kaplan, 1983) identify development and progress in believing that any conception of development is fundamentally and inescapably value-laden. They consider the concept of development a prescriptive concept, used to refer to an ideal progression toward some specific goal, endpoint, or telos that has been imbued with value. With consent they quote Kaplan (1983, 204), as he states that development, as distinct from change, has been and ought to be an axiological and normative option. It has been, and ought to be, comprehended as "movement toward perfection", "movement toward liberation", movement toward the Good or God" (Brown, Gilligan & Tappan, 1995, 330).

[39] Bertels and Nauta (1969, 29, 43) offer an extensive discussion of types of models in various scientific domains. Blaikie (2000, 171-175) discusses five main types of models, including representational, analogue, mathematical, theoretical, and imaginary models. According to Harré, 1970, 46-47; 57-58; 1972, 174-175), models can be *paramorph* (the source of the model is not the object, but taken from some other domain, and hence, a model *for*), and *homeomorph* (the object being the source of the model, hence, a model *of*). Though the term moral *climate* suggests a paramorph (metaphorical) source, the actual model proposed in the present study primarily is a homeomorph, theoretical/imaginary structural model having the function of plausibly representing and exploring the moral climate phenomenon and generating promising hypotheses concerning structures and mechanisms. In fact, the model provides the propositions for the theory (as is elaborated in chapter 6).

Chapter 3: notes

[40] However, there seems to be loose relationship between culture and performance (Barney, 1986; Kopelman, Brief & Guzzo (1990), despite research efforts (of, for instance Wilkins & Ouchi, 1983; Turnipseed, 1988; Siehl & Martin, 1990, and Lim, 1995). Barney (1986, 656-657) suggests that core values - defining how to treat and interact with employees, customers, suppliers, and others - fostering innovativeness and flexibility in firms are thought to lead to sustained superior financial performance when they are linked with management control, under a relatively narrow set of conditions (Barney, 1986, 658). (1) The culture must be valuable while enabling a firm to do things and behave in ways that lead to high sales, low costs, high margins, or in other ways add financial value to the firm. Because superior financial performance is an economic concept, culture, to generate such performance, must have positive economic consequences. (2) The culture must be rare: it must have attributes and characteristics that are not common to the cultures of a large number of other firms. (3) The culture must be imperfectly imitable. Firms without these cultures cannot engage in activities that will change their cultures to include the required characteristics, and if they try to imitate these cultures, they will be at some disadvantage in terms of reputation and experience compared to the firm they are trying to imitate. Apart from using an unspecified (even empty) concept of culture, from the perspective of institutional sociology, Barney may be wrong, since exactly firms in the same branch operating under the same market conditions and governmental regulations may tend to be isomorphic, in both structure and culture, because of underlying commonalities (indeed recognized by Barney, 1986, 660). In any case, according to Furnham and Gunter (1993, 255), there is no compelling evidence yet for a clear link between culture and performance, because of three reasons. Much research erroneously has assumed that organizations possess a single, unitary culture, which means that findings may apply only to some formal or informal

subsystems (1). Serious questions remain about the measure of cultural strength (2). Finally, none of the studies conducted have included appropriate comparison or control groups (3). In the same vein, Siehl and Martin (1990, 242, 259, 269) consider this type of research conceptually limited, methodologically flawed (due to sampling procedures, sample size, and the measurement of culture and/or performance) and therefore, empirically inconclusive concerning the link between culture and financial performance. They also point at the effects of time lags between adopting a new cultural direction and its impact on (financial) performance and even question the direction of causality. Do certain content themes influence performance, does the level of financial performance determine what themes are expressed, or is the relationship reciprocal?

[41] *Power distance* is the extent to which less powerful members of institutions and organizations accept that power is distributed unequally. Low power distance implies less centralization, flatter organizational pyramids, smaller wage differentials, whereas high power distance implies greater centralization, tall organization pyramids, and more supervisory personnel. *Uncertainty avoidance* is the extent to which people feel threatened by ambiguous situations and have created beliefs and institutions that try to avoid these. Low uncertainty means fewer written rules, less ritualistic behavior and less structuring activities, whereas high uncertainty avoidance implies more written rules, standardization, and less willingness to take risks. The polarity *individualism - collectivism* reflects an ethical position of the culture in which people are supposed to look after themselves and their immediate family, or in a situation in which people belong to in-groups or collectives, which are supposed to look after then in exchange for loyalty. In the polarity *masculinity - femininity* refers the masculine pole to the situation in which the dominant values in a society are success, money, and things and in which aggression and competition are rewarded. The feminine pole refers to the situation in which the dominant values in society are caring for others and the quality of life and in which soft, yielding, and intuitive skills are rewarded.

[42] Another example of connecting business ethics and culture gives Dion (1996, 348), who proposes to consider organizational culture as an a priori concept in business ethics. Despite the attention for corporate culture, according to Dion, very few authors emphasize its structural elements. A systemic view of the organizational culture expresses how we cannot develop a corporate ethics without at least a "fore-understanding" or, at best, a critical judgment on the organizational culture of a given corporation. Dion describes four subsystems of the organizational culture and their ethical implications, including organizational representations, beliefs and ideologies (1), organizational values and norms (2), organizational modes of expression (metaphors, stories, heroes, rituals, and ceremonies) (3), and organizational patterns for action and relational games (4).

These elements are deeply implied in the ethical awareness and the expression of a corporate ethics within a given corporation. In order to deepen the nature of the organizational culture, Dion suggests to criticizing the systemic concept of organizational culture, especially the subsystems of modes of expression and action, out of the "interaction analysis," which assumes that the organizational members actually formulate, by their behavior, an "interactional order" and orient themselves to this order. It could be interesting to check to what extent the subsystems of the organizational culture depend on the fact that the organizational order and structures are ruled through interaction. The organizational modes of expression and action could be deeply influenced by the "relational context" in which decisions and action occur within the organization. Within this enterprise, moral climate theory could play its part.

[43] The results are summarized in the tables below (adapted from Allaire & Firsirotu, 1984, 217-220)

Table I Organizations as Socio-cultural Systems

Schools	Definitions of culture	Links with organization and management literature	Main theorists /researchers in organization and management theory
FUNCTIONALIST	Culture is an instrumental apparatus by which a person is put in better position to cope with the concrete specific problems faced in the course of need satisfaction. Main manifestations of culture are to be explained by reference to the basic needs of human beings	The socio-cultural system of organizations will, or ought to, reflect man's quest for need satisfaction through work and organizational participation. Organizations are theatres for the playing out of man's needs. To some extent, organizations are social enactments of participant's quest for need satisfaction	- Human Relations School (Mayo, Roethlisberger) - Social man School (Homans, Zaleznik) - Self-actualizing man (Maslow, McGregor, Likert, Argyris) - McLelland on entrepreneurial and managerial motivations - The Business Policy Field (Andrews, Guth, Learned, Christensen, Henderson)
STRUCTURAL FUNCTIONALIST	Culture is made up of those mechanisms by which an individual acquires mental characteristics (values, beliefs) and habits that fit him for participation in social life. It is a component of a social system which also includes social structures, to maintain an orderly social life, and adaptation mechanisms, to maintain society's equilibrium with its physical environment	An organization is a purposive social system with a 'value' subsystem which implies acceptance of the generalized values of the superordinate system and which thus legitimizes the place and role of the organization in the larger social system. Organizations are functional enactments of society's legitimating values and myths.	- The structural-functionalist school (Parsons, Barnard, Crozier) - Complex man (Schein; Bennis)
ECOLOGICAL-ADAPTIONIST	Culture is a system of socially transmitted behavior patterns that serve to relate human communities to their ecological settings. Socio-cultural systems and their environments are involved in dialectic interplay, in a process of feedback or reciprocal causality	Organizations are social enactments of ideational design-for-action in particular environments. They take on various forms through a continuous process of adaptation to, or selection by, critical environment factors (including society's culture). Disparities in these broadly defined environments (perceived of real, present or future) result in different organization forms and strategies in a never-ending, and sometimes unsuccessful, quest for fit and equilibrium between the organization and its environment.	- Open system theory (Katz & Kahn) - Contingency theorists (Burns & Stalker; Perrow; Lawrence & Lorsch; Blau & Scott) - Cross-cultural studies of organizations (Dore; Tracy & Azumi; Hickson et al), - Socio-technical system perspectives (Emery & Trist; Miller & Rice) - The Ashton Group (Pugh; Hickson et al) - The Population Ecology School (Hannan & Freeman; Aldrich) - The new school of organization-environment relations (Pfeffer & Salancik; Meyer and Associates)

HISTORICAL-DIFFUSIONIST	Culture consists of temporal, interactive, superorganic and autonomous configurations or forms which have been produced by historical circumstances and processes.	Organizational forms arise and vanish in the ebb and flow of historical circumstances. Specific patterns of organizational structures and strategies are characteristic of historical phases of the organization. Organizations are social actualizations of their genesis and historical transformation.	- Chandler - Stinchcombe - Scott - Filly and House

Table II Culture as Ideational System

Schools	Definitions of culture	Links with organization and management literature	Main theorists /researchers in organization and management theory
COGNITIVE	A system of knowledge, of standards for perceiving, believing, evaluating and acting. Culture is the form of things that people have in mind, their model for perceiving, relating and otherwise interpreting them. It consists of whatever it is one has to know or believe in order to operate in a manner acceptable to the members of one's society. As a product of human learning, culture consists of the ways in which people have organized their experience of the real world so as to give it structure as a phenomenal world of forms, that is, their percepts and concepts.	1. Organizational climate is defined as an enduring and widely shared perception of the essential attributes and character of an organizational system. Its primary function is to cue and shape individual behavior toward the modes of behavior dictated by organizational demands. 2. Organizations are social artifacts of members' shared cognitive maps. Organizations develop worldviews, codes, or public maps that provide the framework for organizational actions.	- Organizational climate (Tagiuri; Campbell et al; James & Jones; Payne & Pugh; Schneider) - Organizational learning (Argyris & Schön; Hedberg; Arrow; Heirs & Pehrson)
STRUCTURALIST	Shared symbolic systems that are cumulative creations of mind; universal but unconscious principles of mind generate cultural elaborations and artefacts, the diversity of which results from the permutations and transformations of formally similar processes and latent structures. Since all cultures are the product of the human brain, there must be features that are common to all cultures.	Are organizations, in spite of their manifold character, structure and processes, social manifestations, at a deeper, structural, level, of universal and unconscious processes of mind? March and Simon do claim that organizational structures and processes reflect the characteristics and limitations of human cognitive processes. Do managers share similar structures of mind, similar cognitive styles and processes? The management literature on cognitive styles, on the hemispheres of the brain and their relationship to management, comes close to this issue without ever tackling it explicitly.	- cognitive assumptions (March & Simon) - cognitive style research (McKenney & Keen; Kolb) - left and right hemisphere of the brain (Mintzberg) - the managerial mind (Sumner; O'Connel & Perry; Ewing)

MUTUAL-EQUIVALENCE STRUCTURE	Culture is a set of standardized cognitive processes which create the general framework that enables a capacity for mutual prediction and interlocked behavior among individuals. It is an implicit contract that makes possible the maximal organization and cognitive diversity with only partial inclusion and minimal sharing of beliefs and values on the part of 'culture-bearers'.	Organizations are the locus of intersection and synchronization of individual utility functions, the somewhat fortuitous site where actors' micro-motives coalesce into organizational macro-behavior. Coordination of behavior occurs not through a sharing of goals but through the elaboration of mutually predictive cognitive structures. Members' decision to partially participate reflects their calculus of relative costs and inducements.	- The concept of 'causal maps' and mutual equivalence (Weick) - The 'calculus of participation' (Barnard; March & Simon; Etzioni ; Silverman; Selznick) - Type A organization (Ouchi, Jaeger)
SYMBOLIC	Culture is the fabric of meaning in terms of which human beings interpret their experience and guide their action. It is an ordered system of shared and public symbols and meanings which give shape, direction and particularity to human experience. Culture should not be looked for in people's heads but in the 'meanings' shared by interacting social actors. The analysis of culture therefore is not an experimental science in search of laws but an interpretative one in search of meaning.	1. Organizations as a result of their particular history and past or present leadership create and sustain systems of symbols, which serve to interpret and give meaning to members' subjective experience and individual actions, and to elicit, or rationalize, their commitment to the organization. Such collective structures of meaning are manifested in ideologies, myths, values, sagas, 'character', 'emotional structures', etc. 2. Organizations are figments of participants' ascription of meaning to, and interpretation of, their organizational experience. They have no external reality, as they are social creations and constructions emerging from actors' sense making out of ongoing streams of actions and interactions. The actor's own actions are first order determinants of the sense that situations have.	- Interpretive, actionalist sociology of organizations (Weber; Silverman) - Institutional school (Selznick; Clark, Pettigrew; Wilkins; Harrison; Handy) - Phenomenology, symbolic interactionism, ethnomethodology (Goffman: Garfinkel, Cicourel; Burrell & Morgan; Smircich)

[44] The impression is correct that the references mentioned are not very recent. This does not imply an arrested development of climate theory as such. In fact, this development has continued in five directions, sometimes intertwined. The first direction examines climate is special institutional and organizational context, for instance, schools (Anderson, 1982; Halpin & Croft, 1963; Lindahl, 2006; Maxwell &Thomas, 1991). Other sectors include aviation (Wiegmann et al, 2002), the energy sector (Yule, 2003), health care (Hart & Moore, 1989; Hemingway & Smith, 1999; O'Driscoll & Evans, 1988; Wallace, Ivancevich & Lyon, 1975), chain supermarket organizations (Koene, Vogelaar & Soeters, 2002), (automotive component) manufacturing (McMurray, Scott & Pace, 2004; Sušanj, 2000), and short life organizations (Meudal & Gadd, 1994.)
The second direction aims at examining relationships between climate and other variables, notably job satisfaction (Downey, Hellriegel & Slocum, 1975; Gillies, Franklin & Child, 1990; Payne, Fineman & Wall, 1976; Schnake, 1983; Schneider & Snyder, 1975; Schulte, Ostroff & Kinicki, 2006; Swift & Campbell , 1998). Other variables include organizational commitment and turnover (intention) (Brown &

Leigh, 1996; McMurray, Scott & Pace, 2004; Ostroff, 1993; Shadur, Kienzle & Rodwell, 1999), and leadership (Fleishman, 1953; Koene, Vogelaar & Soeters, 2002; Kozlowski & Doherty, 1989). Other variables include safety behavior (Cooper & Phillips, 2004), performance and (un)productivity (for instance, Brown & Leigh, 1996; Kopelman, Brief & Guzzo,1990; Kamp & Brooks, 1991; Kozlowski & Hults, 1989; Micelli & Near, 1985; Schulte, Ostroff, Shmulyian & Kinicki, 2006; Turnipseed, 1988), nurse stability and withdrawal behaviors (Hart & Moore, 1989; Hemingway & Smith, 1999), spirituality (Pandey, Gupta & Arora, 2008), and managerial activity (De Witte & DeCock, 1986).

Point of departure of the third direction is the notion that climates are always climates for something. This "something" includes first of all safety, following the seminal contribution of Zohar (1980) (Cooper & Phillips, 2004; Coyle, Sleeman & Adams, 1995; DeJoy et al, 2004; Flin et al, 2000; Hofmann, Morgeson & Gerras, 2003; Neal & Griffin, 2002; Neal & Griffin, 2006; Neal, Griffin & Hart, 2000; Niskanen, 1994; Oliver, Tomás & Cheyne, 2006; Wiegmann et al, 2002; Yule, 2003; Williamson et al, 1997; Zohar & Luria, 2004). Furthermore, it includes communication (Falcione, Sussman & Herden, 1987; Poole, 1985), innovation (Abbey & Dickson, 1983; Ekvall, 1983; Kozlowski & Hults, 1989; Lindahl, 2006; Paolillo, 1982; Sušanj, 2000), (customer) service (Schneider, 1990; Schneider, White & Paul, 1998), creativity (Cummings, 1965; Taylor, 1972), diversity (for instance, Hicks-Clarke & Iles, 2000; Hurtado, Milem, Clayton-Pedersen & Allen, 1998; Hyde & Hopkins, 2004; Kossek & Zonia, 1993; McKay, Avery & Morris, 2009; McKay, Avery, Tonidandel, Morris, Hernandez & Hebl, 2007), again, spirituality (Pandey, Gupta & Arora, 2008), and, of course, justice and ethics (as is explored in the present study). It could be a possible line of research to investigate the relationship between on organization's moral climate and other climate dimensions, for instance, safety, learning, trust, spirituality, and diversity (Lemmergaard, 2004), in order to arrive at an even more comprehensive image of moral climate configurations.

These three directions generally adhere to what is called a perceptions approach of climate, as opposed to an attribute approach (to be discussed below in detail), with Abbey & Dickson (1983) as an exception.

The fourth direction emphasizes methodological refinements of climate theory, more in particular in terms of climate formation (Ashforth, 1985; Schneider & Reichers, 1983), climate strength and composition models (Carr, Schmidt, Ford & DeShon, 2003; Chan, 1998; Dansereau & Alutto, 1990; Field & Abelson, 1982; Glick, 1985; Hofmann, Morgeson & Gerras, 2003; Lindell & Brandt, 2000; Qualls & Puto, 1989; Rousseau, 1988; Schneider, Salvaggio & Subirats, 2002; Schulte et al, 2006). Finally, there are refinements in the field of psychological climate (Koys & DeCotiis, 1991; Moussavi, Jones & Cronan, 1990) and collective climate (Patterson, Payne & West, 1996).

The fifth direction compares climate to culture and addresses both similarities and differences between the two constructs, either in a general way or issue-related, for instance, related to safety (e.g., Ashkanasy, & Jackson, 2000; Denison, 1996; McMurray, 2003; Moran & Volkwein, 1992; Ostroff, Kinicki & Tamkins, 2003; Payne, 2000; Rentsch, 1990; Reichers & Schneider 1990; Schein, 1000; Wiegmann et al, 2002; Yule, 2003), as is explored in the present section.

As it seems, moral climate theory can be placed in the direction focusing on the idea that climates are climates for something, mostly from a perceptions approach, sometimes choosing methodological refinements (climate strength), and sometimes seeking benchmarks in culture theory (if only to use the term "culture" instead of "climate").

[45] Ostroff (1993) suggests a more specified climate taxonomy in which facets are arranged into three categories: affective, cognitive, and instrumental.

Affective facet: people involvement; interpersonal or social relations

- Participation: perceived influence in a process of joint decision making; participation in setting goals and policies
- Warmth: perceived feelings of good fellowship in workgroup; prevalence on friendly, informal social groups; perceived helpfulness of supervisors and coworkers; emphasis on mutual support

● Social rewards: praise from others used to reward work, rewards based on effort and time spent on work; formal recognition and awards based on ability and effort
● Cooperation: perceived helpfulness of supervisors and coworkers; emphasis on mutual support
Cognitive facet: psychological involvement; self-knowledge and development
● Growth: perceived emphasis on personal growth and development on job; emphasis on skill improvement; perception of challenge, demand for work, and continuous improvement of performance
● Innovation: perceived emphasis on innovation and creativity in work; acceptance of
● Autonomy: perceived freedom to be own boss; plan and control over work
● Intrinsic rewards: formal recognition and awards based on ability and effort
Instrumental facet: task involvement and work processes
● Hierarchy: perceived emphasis on going through channels; locus of authority in supervisory personnel
● Structure: perception of formality and constraint in the organization; orderly environment; emphasis on
rules, regulations, and procedures
● Extrinsic rewards: extrinsic rewards of pay, assignments, advancement based on ability and time spent on work
● Achievement: perception of challenge, demand for work, and continuous improvement of performance.
Each of these facets consists of numerous variables, only very few of which have explicit moral content. As an example, the variable labels of the instrumental facet are mentioned below:
Bureaucratic - Career development - Clarity - Closeness of supervision - Concern - Constraints - Degree of organization - Effective organizational structure - Extrinsic rewards - Formalization and bureaucracy - Hierarchy Reward - Hindrance - Inadequate compliance - Inadequate effort - Intrinsic rewards - Job variety - Leader goal emphasis - Level of rewards - Management support - Order and organization - Organizational identification - Pay - Performance reward dependency - Policy and promotion clarity - Positive behavior - Program clarity - Resource supply - Respect for rules - Rewards–promotions - Senior management support - Status polarization - Structure - Training - Work facilitation.

[46] Until now, the research on climates-for has almost exclusively examined one climate for something at a time. According to Ostroff, Kinicki, and Tamkins (2003, 575), it may be fruitful to simultaneously examine multiple climates-for, such climate for justice, climate for service, climate for innovation (and of course, moral climate). Different configurations of climates are likely to be related to effectiveness outcomes in different performance domains, and different configurations of climates may be related to more global indicators of effectiveness. However, from there, it is only one step away from the old climate theories investigating a variety of climate dimensions.

[47] In his research, Johannesson (1973) found considerable overlap between climate measures and job satisfaction measures. Moreover, he found (1973, 139-140) that all sorts of climate dimensions may be reduced to five dimensions that coincide very well with the four A's that are common in Dutch management literature:

I:	pay	arbeidsvoorwaarden
II:	work content	arbeidsinhoud
III:	supervision:	arbeidsverhoudingen (vertical)
IV:	work context:	arbeidsomstandigheden
V:	people:	arbeidsverhoudingen (horizontal)

[48] In the same vein, Rousseau (1988, 145-147) discusses the often-made distinction between different

types of climate: psychological, aggregate, collective, and organizational climate.

- *Psychological* climate is essentially the not-aggregated individual perception of the environment, treated as reports reflecting how individuals organize their experience of the environment. Psychological climate is shaped by factors including individual thinking styles, personality, cognitive processes, culture and social interactions. It need not coincide with those of others in the same environment to be meaningful since an individual's proximal environment may be unique, and individual differences may play a substantial role in these perceptions. This conception can hardly be considered as a climate type when being collectively shared is a common feature of climate. Instead, the term psychological climate is highly redundant and coincides with phenomena as job satisfaction.
- *Aggregate* climate is individuals' perceptions averaged at some formal hierarchical level (workgroup, department, division, plant, ship, organization). The level of aggregation need not conform to the descriptive level of the perceptions. Aggregated climates are constructed based on membership of individuals in some identifiable unit of the formal organization and within-unit agreement or consensus in perceptions. Aggregated climates are established based on empirically observed between-unit differences. The question is whether aggregate climate does explain responses that psychological climate does not, that is, does it have surplus meaning beyond individual perceptions taken together?
- *Collective* climates emerge from agreement between individuals regarding their perception of behavioral contexts. Contrary to aggregate climate, collective climates need not overlap formal units. Collective climates are composites of individuals for whom situations have common stimulus values. Essentially, collective climates are identified by taking the individual perceptions of situational factors and combining these (independently of unit membership) into clusters reflecting similar scores.
- *Organizational* climate and its definition reflect two schemes of thought, one of which is an interactional point of view focusing essentially on individual perceptions of organizational practices and characteristics that meet statistical criteria for aggregation to that level. From the other perspective organizational climate is a real organizational attribute (as is structure) as opposed to something "psychological" When we approach climate as a real thing to be encountered and experienced, this means that individuals report in climate not as subjects or respondents, but as *informants*. Individual-level perceptions may have a different dimensionality than the organization's actual climate. Glick details the role of the fallacy of the wrong level in statistical assessments of climate wherein individual-level consensus rather than organization-level reliability of climate scores has been used to justify treating aggregated climate as organizational climate. Climate then, is not a perception per se, but an attribute of the organization expressed nonetheless in psychologically meaningful terms.

We will no concur with the distinction put forward by Rousseau. The concept of psychological climate does not to refer to climate at all but to some individual perception or experience, and is therefore redundant. The distinction between aggregate and collective climate comes down to climate from a formal social entity versus climate from an informal social entity. The term organizational climate disguises the foundational debate about the nature of climate, in which climate as an organizational attribute (to be described by well-informed informants) is opposed to climate as aggregated perceptions. I would propose to drop the term psychological climate (because of its phlogiston allures), and use the term organizational climate to indicate the climate of an entire organization or its formal or informal subsystems as an attribute that can be more or less adequately perceived.

[49] With respect to psychological climate, James and Jones (1974, 1110) suggest the following recommendations:

"(a) to determine the conceptual bounds, variables, and dimensions relevant to the psychological climate domain;

(b) to investigate the relationships between psychological climate and organizational climate, particularly perceptually measured organizational climate;
(c) to investigate more fully the relationships between psychological climate and job attitude variables where differences in situational contexts are taken into account;
(d) to ascertain whether the concept of an intervening psychological process is meaningful in more sophisticated organizational models;
(e) to investigate the role of psychological climate as both a predictor of individual behaviors and attitudes and a moderator of the relationship between the situation and individual behaviors and attitudes".

[50] These five relations distinguished here are not the only possible semantic or logical relationships. Spradley (1980, 93) proposed a more elaborated scheme of semantic relationships between concepts while making a distinction between description and explanation/prediction.

function	semantic relation	propositional form
description	classification	x is a type of y
description	hierarchy	x is a part of y
description	coherence	x and y go together
description	sequence	x follows y
explanation/prediction	causality	x causes y
explanation/prediction	intentionality	x is a motive for y
explanation/prediction	functionality	x is important to y
explanation/prediction	procession	x is a stage of y

From the substruction point of view of typology construction, it may be clear that not all possible logical relations are involved. Nevertheless, from this scheme, it can be learned that the concepts of culture and climate can have a hierarchical relationship in which either culture is a part of climate or climate is a part of culture. There may as well be a causal relationship, in which either culture causes climate or climate causes culture. Subsequently, there may a functional relation when culture is important to climate or climate is important to culture. From a developmental perspective, climate may be a stage of culture or culture may be a stage of climate. Since in this section, the intention is make distinctions at the descriptive level, the explanatory relations are ignored. However, in a moral climate theory paying attention to dynamics, the causality relation becomes of importance. In the present text, a developmental relationship of culture and climate as phenomena is not considered meaningful, though on the theoretical level, moral climate theory may be the next stage in a developing general culture/climate theory.

[51] For instance, Pugh and Payne (1976, 1126-1128) connecting the concepts of structure and climate, recognize and elaborate the metaphorical character of "climate". "Given "climate's" geographical analogy, the organizational context and structure variables are the hills and rivers or physical features of the geographical area. Climate dimensions such as progressiveness and development, risk taking, warmth, support, and control, correspond to temperature, rainfall, and wind velocity, which have been generated by the interactions of physical features with the sun's energy. Social systems' equivalent energy sources are people who also create and are part of the climate. Although both physical and social climates may affect their respective structures, the context and structure of a social system are more stable than its people, whose energies may not always be spent in predictable cycles."

[52] Field and Abelson (1982, 194-197) and Ashforth (1985) demonstrate this. The revised and very

sophisticated climate model of Field and Abelson consists of several aspects (organizational climate, group climate and psychological climate) and influencing variables on the *external* (physical and socio-cultural), *organizational* (centralization, configuration, formalization, standardization, size, structure, and technology), and *personal* level (managerial behavior, leadership pattern and rewards and controls). This revised model views climate as a perceptual phenomenon that occurs within each individual. Psychological climate is determined by through the interaction of quasi-facts and intersubjectivity. Group and organizational climate occur if there is a consensus of climate perceptions by unit members. These latter climates may differ from an individual's psychological climate perceptions, but if broader climates do exist, most individuals within the appropriate unit would view climate similarly. In the revised model, the central focus has shifted from organizational climate to psychological climate. The authors believe this revised model to be sounder, both in a theoretical and in an operational sense, than previous models. Ashforth (1985, 837) describes three views of climate as a function of (1) the organization's structure, (2) the organization's membership, and (3) the membership's efforts to understand the organization. The third view – interactionism – is intended as a reconciliation of the objectivism of the first view and the subjectivism of the second view. The author proposes an extension of this interactionist approach by a consideration of the roles of the workgroup, affect, corporate culture, symbolic management, and physical setting.

[53] Three examples may be illustrative of this phenomenon. (1) The special issue of '*Administrative Science Quarterly'* that was devoted to organizational culture (1983) lacks almost any reference to climate literature. (2) In his comprehensive treatment of organizational culture, Ott (1989, 47) concludes that organizational climate is not an element of organizational culture. The author only devotes only one single paragraph to the whole issue, not referring to any major publication on organizational climate. In the absence of any generally accepted definition, he argues, 'organizational climate' means an amalgamation of feeling tones, or a transient organizational mood. As such, Ott concludes without any further argumentation, organizational climate is a related but separate phenomenon when compared to organizational culture. (3) In the same vein, Brown (1995, 2) uses one paragraph to conclude that the current fashion with organizational culture developed in part from work on organizational climate conducted during the 1970s, 'organization climate' defined as referring to the beliefs and attitudes held by individuals about their organization. Brown's definition of organizational culture can indeed be read as an extension of this climate definition: "Organizational culture refers to the pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organization's history, and which tend to be manifested in its material arrangements and in the behaviors of its members" (1995, 8). He goes on by saying, without referring to any piece of work on organizational climate, let alone have examined them critically, that the real finding of climate surveys was that a more sophisticated approach to understanding this aspect of organization was required.

[54] Pettigrew (1990, 417-421) distinguishes seven analytical issues in the study of culture (and climate): the levels issue, the pervasiveness issue, the implicitness issue, the imprinting issue, the political issue, the plurality issue, and the interdependency issue. (1) The *levels issue* of organizational culture refers to the variety of different levels in the organization, from beliefs and assumptions via structure and systems to manifest artifacts. (2) The *pervasiveness issue* concerns both the breadth of organizational aspects culture imbues and the levels at which culture is identifiable (organization, industry, society). (3) The *implicitness issue* pertains to the fact that much of organizational culture is taken for granted as a tacit part of people's thinking and behavior. (4) The *imprinting issue* concerns the deep historical roots of much of organizational culture. (5) The *political issue* refers to the connections between culture and the power distribution in the organization. (6) The *plurality issue*, being a close cousin of the politics and culture issue, refers to possibility of subcultures with different sets of beliefs and assumptions, possibly leading to

tensions within the organization. (7) The *interdependency issue* stresses the connectedness of culture with the structure, systems, people, politics and policies of the firm, and of course, with the many environments linked to the organization. From these issues, 2, 3, 4, and 6 are taken together as the climate/culture strength issue, whereas issues 1 and 7 have been discussed as the conceptual issue and issue 5 is included in the culture/climate evaluation issue.

[55] These notions are similar to Mischel's notion of situational strength (who holds a perceptive position). According to Mischel (1973, 276), situations are strong when aspects of the situation lead people to construe the particular events the same way, induce uniform expectations regarding the most appropriate response pattern, provide adequate incentives for the performance of that response patters, and instill necessary skills to perform that behavior. In weak situations, people do not perceive events the same way, and expectations about appropriate behavior are inconsistent or even nonexistent. Individual differences will determine behavior most clearly in ambiguous, weak situations. According Mischel, weak situations are not uniformly coded and do not generate uniform expectancies concerning the desired behavior, do not offer sufficient incentives for its performance, or fail to provide the learning conditions required for successful construction of the behavior. As a result, people will expect that virtually any response is likely to be equally appropriate. From this perspective, an organization with a strong climate (i.e., a place where events are perceived in the same way and where expectations are clear) should produce uniform behavior from the people in that setting.

[56] Van Muijen (1998, 120) discusses several varieties of subcultures in organizations, arranged along several lines. Within an organization, there are several sites (intra-organizational loci of culture) where subcultures may develop. Subcultures may reflect certain cultures beyond organizational boundaries (for instance, a professional culture). Finance departments from several banks and assurance companies might have the same kind of subculture because of the same professional training of the accountants at universities. Yet, the corporate cultures of each of these companies may be quite distinct. Within an organization there can be several subcultures. Referring to Louis (1985) and Jansen (1994), Van Muijen distinguishes various types of possible subcultures within an organization:

elite culture/corporate culture	'for-your-eyes-only" or "for-public-consumption"
departmental culture	horizontal slice (for example, sales department)
divisional culture	vertical slice (for example, a division)
local culture	within a geographical location or unit
issue related culture	metaphorical, related to an important issue (safety, service, quality)
professional culture	based on professional background and training

Chapter 4: notes

[57] In this study, the issue whether animals and other environmental entities can and should be considered from a stakeholder perspective will be left aside, since this issue introduces positions in debates that go beyond the scope of this study and because in moral climate theory regrettably this is not a central issue yet.

[58] This can easily be demonstrated through the following example:

Data: John and Mary, both true adherents of the catholic church, intend to have sexual intercourse before their marriage

Claim: They should not do this

Warrant: (How's that?) Because the Catholic Church has forbidden sexual intercourse before marriage. It is not difficult to discover that this argumentation based on authority (in this case, of the Catholic Church) itself is based upon an argumentation based on rules of conduct (kind of: Thou shalt not…).

[59] Other formulations of the Categorical Imperative are "Always treat the humanity in a person as an end, and never as a means merely", and "So act as if you were a member of an ideal kingdom of ends in which you were both subject and sovereign at the same time".

[60] Bowie's idea of the organization as a moral community is not the only attempt to conceptualize the organization as a community. For instance, Bekman (2001) outlines an image of the organization as a community, albeit in non-deontological and not explicitly formulated communitarian principles. Bekman stresses the necessity of personal commitment with an organization, illustrated with well-elaborated examples. He claims - inspired by the classic *De levende onderneming* of Arie de Geus (1997) - that an organization should be a living community that is more than an instrument to reach financial aims, indirectly reflects Kantian principles. Bekman introduces the term 'comunit' (2001, 59-60), being a contraction of 'unit' and 'community' to refer to the merging of the functional organizational unit with the small community of people associating themselves with each other and with an assignment. The author's distinguishes three types of comunits: customer-comunits, expert-comunits, and management-comunits. His emphasis on consultation, responsibility, and learning and development can be thought of as being not contrary to Kantian principles (2001, 66-68, 83-84, 91-92).

[61] According to Bowie (1999b, 11), "principle 1 seems like a straightforward requirement for any moral theory that takes respect for people seriously. Since autonomy is what makes humans worthy of respect, a commitment to principle 2 is required. Principle 3 provides a kind of organizational legitimacy; it ensures that those involved in the firm receive some minimum benefits from being part of it. Principle 4 rules out utilitarianism as a criterion for decision-making in the moral firm. The justification for principle 6 is based on an extension of the individual's imperfect obligation that Kant (1994, 52) defended in the *Metaphysics of Morals*, saying that beneficence is a duty results from the fact that since our self-love cannot be separated from our need to be loved by others (to obtain help from them in the case of need), we thereby make ourselves an end for others…hence the happiness of others is an end which is at the same time a duty.
The strategy here is to extend this argument to the corporate level. If corporations have benefited from society, they have a duty of beneficence to society in return. The fact is that corporations have been benefited. Society protects corporations by providing the means for enforcing business contracts. It provides the infrastructure allowing the corporation to function – such as roads, sanitation facilities, police and fire protection – and, perhaps most importantly, an educated work force with both the skills and attitudes required to perform well in a corporate setting. Few would argue that corporate taxes pay the full costs of these benefits. Finally, principle 7 is a procedural principle designed to ensure whatever rules the corporation adopts conform to the basic principles of justice.

[62] In this fashion, Bowie (1999b, 12) argues, Kantian ethics functions as a moral critique of authoritarian hierarchical organizational structures. Principle 2 demands participation in some form by all the corporate stakeholders, especially stockholders and employees. A Kantian would morally object to a hierarchical structure that requires those lower down to carry out the orders of those above, more or less without question. Kantian moral theory also requires worker participation; indeed, it requires a vast democratization of the work place. Certainly, a necessary condition of autonomy is consent given under non-coercive and non-deceptive conditions. Consent also requires that the individuals in an organization endorse the rules that govern them. As a minimum condition of democratization, Kantian moral

philosophy requires that each person in an organization be represented by the stakeholder group to which he or she belongs, and what these various stakeholder groups must consent to the rules and policies governing the organization.

[63] As Snoeyenbos and Humber (1999, 19) put forward, utilitarianism does not simply mean that an act is right if and only if it provides the best consequences for the greatest number, where this means that to be right an act must maximize utility and, at the same time, maximize the number of individuals who realize a positive benefit to harm ratio. Since both criteria are not always met at the same time, the statement has to be revised and read as: an act A is morally right if and only if no other alternative act has greater overall utility than act A.

[64] Essential to hedonism is the claim that pleasure (including avoiding pain) is the only thing that is good in and of itself, other things being only of instrumental value. According to the *hedonistic calculus* as developed by Jeremy Bentham and John Stuart Mill, there are seven criteria to be listed. Other things being equal, of two pleasures P_1 and P_2, P_1 is greater than P_2 if P_1 is (Snoeyenbos & Humber, 1999, 20):

1. more intense than P_2, or
2. of greater duration than P_2 ,or
3. more certain of realization that P_2, or
4. nearer in time than P_2, or
5. such that it will lead to other pleasures that P_2 does not lead to, or
6. purer, i.e. less mixed with pain than P_2, or
7. such that more people can realize it than P_2.

John Stuart Mill, while worrying about the general level of morality, made distinguished 'higher' and 'lower' pleasures, with 'higher pleasures' (such as doing philosophy) being accorded higher values than 'lower' pleasures (such as beer guzzling). However, detrimental to any form of hedonistic calculus in the impossibility of calculation the various aspects of pleasure and pain. This reflects the inherent weaknesses of all consequentialist ethics and the exact prediction of consequences, the structural lack of quantitative precision, and hence, problems with comparing alternative actions. To avoid these problems, several options remain open to deliberation (Snoeyenbos & Humber, 1999, 20-22). Of course, the quest for pleasure quantification can be continued, for instance by developing some type of 'pleasurometer'. A second option abandons quantification. Even if we cannot measure pleasure with mathematical precision, we all know that some experiences are quite pleasurable and that some pleasures are greater than other pleasures. Rough judgments and comparisons can often be useful and adequate. Third, apart from pleasure, other criteria can be added to the list of things that are intrinsically good, such as knowledge, freedom, beauty, wisdom, fairness, generosity, friendship. However, this option, sometimes referred to as pluralistic utilitarianism, does not mitigate problems of measurement and comparison, making overall utility calculations extremely difficult. As a fourth option, preference act utilitarianism is developed. If pleasure seems subjective and immeasurable, preferences, linked to desires, choices and behavior are more objective and may offer a firmer basis for a theory of value. A person's preferences can be assigned numbers to, and preferences totaled, as a general method for determining which acts maximize total preference satisfaction. Preference act utilitarianism has some major advantages over its hedonistic alternative. It handles problems of measurement and comparison better, it admits a greater range of values, and it is more tolerant to whatever someone actually prefers. However, this third advantage is not unproblematic, since people can have preferences that affect and even harm other people (as is the case with a preference for sexual harassment). That is, we are in need of a concept of 'morally acceptable preference'. Yet, as this is inconsistent with the very notion of preference, 'morally unacceptable preferences" should be included and factored in the process of utility calculus as elements leading to unhappiness or pain. Another issues that makes preference act utilitarianism difficult a complex

deliberation, is the instability of preferences. They change over time, some are added, some dropped, some are considered more important, some less.

[65] Nussbaum (2000b, 1029-1030) claims that we must realize that cost-benefit analysis should not be restricted to consequentialism (defined as the view that the right way of assessing alternatives in a choice situation is to look to the consequences they produce). Nussbaum suggests that some forms of non-utilitarian consequentialism are so elastic that they can include in the statement of consequences things that usually seem like fatal omissions in consequentialism (for instance, the protection or violation of rights, and the special value to agents of their own personal involvement in an action). If consequentialism is construed so elastically, in her view, cost-benefit analysis may seem closely linked to consequentialism. However, looking to consequences is often contrasted with looking to something else, for example, the intrinsic value of an action, or of the agent's role, or the overwhelming importance of the protection of rights. In this way of thinking of consequentialism, cost-benefit analysis does not entail consequentialism. We can look at any features of the choice situation we judge significant, and assign our weightings accordingly, as Nussbaum puts it.

[66] A moral code MC for a society S is a set of shared desires and aversions, along with a complete set of moral rules governing what should be done in all circumstances that may arise in S. Though anyone of a number of moral codes (MC_1, MC_2, MC_n) could be employed in S, one such code would have more utility than the others if it were widely accepted in S. This is S's optimal moral code (Mc_o). According to this *optimal code utilitarianism* (as developed by Richard Brandt) an act A in society S is morally right if, and only if, A is not prohibited by the Mc_o for S. Therefore, right acts in S are those permitted by the moral code optimal in S, and the optimal code in S is the code that, if it were widely accepted, would maximize utility (Snoeyenbos & Humber, 1999, 27-28). This may explain, in utilitarian terms, the differences between, for instance, Germany and Britain with regard to their juridical-political system, as described by Hampden-Turner and Trompenaars (1994; 2000).

[67] Paradigmatically, the competitive values approach of Cameron and Quinn (1999) describes four domains of non-moral values that are characteristic to organization types as well as to organization theories. These competing values include stability versus flexibility, and external orientation and differentiation versus internal orientation and integration, each value being the core of a specific type of organizational culture respectively, family culture (internal orientation and flexibility), adhocratic culture (external orientation and flexibility), market culture (external orientation and stability) and hierarchical culture (internal orientation and stability), already discussed in chapter 3. Their approach consists of diagnostic instruments as well as programs for intervention.

[68] For our purpose, a distinction between moral virtues, intellectual virtues and instrumental virtues may be helpful (Steutel, 1984a, 1984b, 1985, 1989a, 1989b, 1991, 1992; Steutel & Spiecker, 1995), similar to distinctions in intrinsic and instrumental values. Moral virtues (and moral vices) tell us something about the (lack of) moral character, that is, the (lack of) moral goodness of a person. Therefore, they are also called *intrinsic* virtues (and intrinsic vices). One needs to have intrinsic virtues in order to be characterized as a good human being. Someone who does not dispose of these virtues, or even has these virtues with a minus sign, does not deserve the qualification morally good, on the contrary, people with moral vices are considered morally bad. However, intrinsic virtues alone are inadequate from the perspective of the morally autonomous person, that is, somebody that is capable of accounting for moral principles and transforming them into morally appropriate actions in specific situations. A person judging and acting moral autonomously, also is in need of *instrumental* virtues, properties determining the strength of someone's character to exercise intrinsic virtues as it should be, such as perseverance, firmness, courage,

diligence, accuracy, empathy, being critical, and so on. Some of these instrumental vices, such as the capacity of logical reasoning and the ability of the acquiring, assessing and applying knowledge are called intellectual virtues. In this formulation, intellectual virtues are considered a subclass of instrumental virtues. However, from an Enlightenment perspective, one might argue that man has the moral obligation to gain knowledge and make use of proper argumentation, thus dragging these virtues into the realm of intrinsic virtues. From the perspective of moral climate theory, this issue is of minor importance. Yet, the appearance of instrumental virtues in moral climate is not irrelevant. When speaking about the virtuous organization - as does, for instance, Collier (1995) - one might one argue (no matter how one conceptualizes organizational virtues) that intrinsic virtues alone are insufficient for proper moral conduct. Virtuous organizations also need knowledge and argumentation capability and opportunity, as well as courage and perseverance to go through with ethical intentions.
The distinction of intrinsic and instrumental virtues makes a moral character-typology possible, in terms of good and bad (intrinsic virtues) and strong and weak (instrumental virtues). A person, a team or an organization with intrinsic virtues we call good by character, a person, a team or an organization with intrinsic vices we call bad by character. In the same vein, we call a person, a team or an organization with instrumental virtues strong in character, and a person, a team or an organization lacking instrumental virtues weak by character. A character-typology can be made up consisting of four types: good and strong (moral saint and heroes), good and weak (lip servants), bad and strong (diehard criminals), and bad and weak (spineless fiddlers).

[69] Pettit (1998, 107-108) outlines a number of candidates for presumptions (as working assumptions) that help us to arrive at a commonly shared notion on rightness:
1. If one option (understood as a possible course of action, HB) is right and others wrong, then the agent ought to take the right one: to say it is right in such a context is to prescribe the option or at least to approve of it.
2. If one option is right and others wrong, then the right option is better on certain respects than the alternatives.
3. The rightness-relevant aspects – the values – that serve to make one option better than others include such features as being fair, being honest, relieving need, being an act of friendship or loyalty, and so on.
4. Values vary in strength, so that the value displayed by one option – for example, that it is honest – may be overridden by a different value displayed by another: say, that it will prevent a murder; thus the dishonest option may be the right one.
5. A right option that is chosen because it is right will always be unobjectionable or justifiable; no one will be able to find good reason to blame the agent for taking it.
6. A number of options in any choice may sometimes be equally unobjectionable, even when one is better than others are, even when one is an act of supererogatory merit. In such a case, depending on context, the word "right" may be used loosely for any unobjectionable option in the set or more strictly for the best option.
7. There may be no right option in some hard choices; there may be no option which is unobjectionable, to go to the weak usage of "right", and no option that counts as best and deserves to be called "right" in the stronger case.
8. A right option will prove more attractive to the agent than a wrong option to the extent that the agent sees that it is better and does not suffer a malaise of the spirit, a weakness of will, or something of that kind.
9. The virtuous person is reliably disposed to recognize right options and choose only those options.
10. A unique right option will present itself as something that the agent has to do: as something that binds or obligates them.
11. If one option is right and other wrong, then there must be some differences between them besides any difference in rightness or in right-making respects; the options must be descriptively as well as evaluatively distinguishable. (Rightness is descriptively supervening, as it is said.)
12. If any two choices and options correspond in all respects other than those involving particular individuals – if they correspond, for example, in everything other than the identity of the agent – then if one option is a right option for the agent in the first case, the corresponding option is right choice for the agent in the second. (Rightness is universalizable.)
13. There are various paradigms of right choice with which any user of the term will be familiar, even if there are

few paradigms that will be common to all.
14. If an option is right, or has any evaluative property, then everyone ought to believe that it is right or that it has that property; what is right or valuable in one perspective is right or valuable in all.
15. It is a matter of the greatest importance that an option is right or wrong, for the possibility of a decent human community depends on the possibility that what each does can be justified to others.

[70] Kmieciak (1976, 274-275), for instance, distinguishes a number of areas of values, analogous to the OECD distinctions: health, individual development through learning, labor and quality of labor life, time and leisure, availability of goods and services, physical environment, personal safety and rights, social environment, a own place in society, the opportunity to participate in society. Rokeach (1973, 28) distinguishes eighteen terminal values (put in alphabetical order: a comfortable and prosperous life, an exciting, stimulating, active life, a sense of accomplishment, a world at peace, a world of beauty, equality and equal opportunity for all, family security, freedom, happiness, inner harmony, mature love, national security, pleasure, salvation, self-respect, social recognition, true friendship, wisdom as a mature understanding of life). He also distinguished eighteen instrumental values (put alphabetically, too: ambitious, broad- and open-minded, capable, cheerful, clean, courageous, forgiving, helpful, honest, imaginative, independent, intellectual, logical, loving, obedient, polite, responsible, self-controlled). According to Rokeach, moral values are a subcategory of instrumental values. One might argue, that Rokeach's terminal values are no definitive values from a moral perspective, but do reflect a broader moral of the good life, with a consequentialist signature. Many of the instrumental values Rokeach mentions bear an aretaic character, judging from the formulations used, in terms of moral and non-moral dispositions.

[71] In a possible chain of effects, causality should be observed closely, to avoid lines of thought as in the nursery rhyme (Prior, 1956, 95):

> "For want of a nail, the show was lost;
> For want of a shoe, the horse was lost;
> For want of a horse, the rider was lost;
> For want of a rider, the battle was lost;
> For want of a battle, the kingdom was lost;
> And all for the want of a horse-shoe nail".

[72] Williams (1973, 101-107) points at two remoter effects, the first of which is the psychological effect on the agent. How will an actor be after haven taken the one course or the other? It may be a the case that if an actor takes the course taken which seemed at first the utilitarian one, the effects on them may be bad enough to cancel out the initial advantages of that course. The second remoter effect is the precedent effect, implying that one morally can do what someone has actually done. Furthermore, Hare (1982, 27) asks, if consequentialism is formulated in terms of interest, do we really know our "true interests"? How can present desires and likings be balanced against future, and actual desires and likings against those that would be experienced if certain alternative actions were taken?

[73] These all concern issues that constitute the very limits of consequentialism (in virtually all of its forms, including utilitarianism and hedonism, as well as other forms of measuring pay-offs and values). The issues we have in mind can be described in terms of the morally unwanted and/or legally forbidden inclusion in cost-benefit analyses of inalienable basic human rights and other primary goods (Rawls, 1982, 162) and of human capabilities (Nussbaum, 2000a, 78-80; 2000b, 1021-1022). These capabilities include life, bodily health, bodily integrity, use of senses, imagination, and thought, being able to have attachments to things and people outside ourselves, being able to form conceptions of the good and

engage in critical reflection about the planning of one's life, being able to live with and towards others and engaging in various forms of social interaction as well as having social bases of self-respect, non-humiliation, and non-discrimination, being able to live with concern for and in relation to animals, plants, and the world of nature, being able to laugh, play and enjoy recreational activities, and exercising control over one's political and material environment. This is about taboo trade-offs (Fiske & Tetlock, 1997), blocked exchanges, (Andre, 1992). Taboo trade-offs concern any explicit mental comparison or social transaction that violates deeply held normative intuitions about the integrity, even sanctity, of certain relationships and the moral-political values are underlying or derive from those relationships (Fiske & Tetlock, 1997, 256-257). Taboo trade-offs are morally corrosive and even tragic when sacred values are traded-off against each other (Fiske, 2003, 321, 322). Blocked exchanges concern things that cannot be bought or sold, cannot or should not be owned, cannot or should be alienated, should not be exchanged for gain. Andre (1992) tried to organize Walzer's (1983, 100-103) list of blocked exchanges () into a conclusive taxonomy. This includes: human beings; political power and influence; criminal justice; freedom of speech, press, religion, and assembly; marriage and procreation rights; the right to emigrate; exemptions from military service, jury duty, and other communally imposed work; political office; basic welfare services like police protection and education; desperate exchanges, such as those involved in accepting dangerous work; prizes and honors; divine grace; love and friendship; and criminal acts (not unlike Nussbaum's human capabilities). Finally, there are protected or sacred values (Baron & Spranca, 1997, 1, 3; Tetlock et al, 2000, 853; Tetlock, 2003, 320), that is, values (human rights, natural resources) that are protected against being traded off for other values in consequentialist modes of decision-making. In the same vein, sacred values are those values that a moral community implicitly or explicitly treats as possessing infinite transcendental significance that precludes comparisons, trade-offs, or any mingling with bounded secular values. A defining characteristic of protected values is their absoluteness, expressed in quantity insensitivity and in resistance to trade-off based on moral obligations of the deontological type, and moral outrage when violated (Baron & Spranca, 1997, 4-6).

[74] At this point, Kymlicka (1991, 194) mentions some objections against Rawls's position. He stresses the consideration that impartiality can also be generated without any special devices and that Kantian contractarian device is abused to express the ideal of moral equality. He also emphasizes that the concept of a veil of ignorance imposes a perspective from which the good of others is simply a component of our own (actual or possible) good. He suggests that Rawls tries to downplay the extent to which people in the original position view the various individual lives in society as just so many possible outcomes of a self-interested choice, but that the contract device encourages that view, and so obscures the true meaning of impartial concern.

[75] Donaldson and Dunfee (1994, 269-270) mention the following six principles (rules of thumb) considered to consistent with the spirit and the letter of the macro-social contract:

1. Transactions solely within a single community, which do not have significant adverse effects on other humans or communities, should be governed by the host community's norms.
2. Community norms indicating a preference for how conflict-of-norms situations should be resolved should be applied, so long as they do not have significant adverse effects on other humans or communities.
3. The more extensive or more global the community which is the source of the norm, the greater the priority which should be given to the norm.
4. Norms essential to the maintenance of the economic environment in which the transaction occurs should have priority over norms potentially damaging to that environment.
5. Where multiple conflicting norms are involved, patterns of consistency among the alternative norms provide a basis for prioritization.

6. Well-defined norms should ordinarily have priority over more general, less precise norms.

[76] The distinction between moral competence and moral performance is analogous to the distinction made in linguistic theory between linguistic competence and linguistic performance. Linguistic competence is a person's maximum ability to construct well-formed sentences, whereas linguistic performance refers to that person's actual linguistic behavior. Competence and performance may but need not coincide. For several reasons moral performance may stay behind moral competence: contextual factors, lack of moral courage, tiredness, lassitude, hidden interests, unconscious motives, emotional proximity.

[77] The term "organization man" was coined by Whyte (1956) to indicate a person who not only worked for the organization, but also belonged to it. Organization men believe in the group as the source of creativity and in belongingness as the ultimate need of the individual. In the same vein, Lawrence (1958, 208) claimed that ideally, we would want one sentiment to be dominant in all employees from top to bottom, namely a complete loyalty to the organizational purpose. In her discussion of the concept of organization man, Randall (1987) listed both positive and negative consequences of low, moderate, and high levels of commitment for the individual and the organization, respectively. Commitment was characterized in terms of three major components: (a) a person's strong belief in and an acceptance of the goals of the organization, (b) a person's willingness to exert considerable effort on behalf of the organization, and (c) a person's definite desire to maintain membership. The stronger the commitment, the stronger is the person's predisposition to be guided in actions by internalized standards of the organization (Randall, 1987, 461) (be loyal to the company, and the company is loyal to you). High levels of commitment do unmistakably have a positive impact on individuals as well as on organizations. Advantages for the organization (wo)man include individual career advancement and compensation enhanced, rewards on behalf of the organization for being obedient, and having an identity as an individual provided with a passionate pursuit and ardent dedication. Payoffs for the organizations include a secure and stable workforce, employees accepting the demands of the organization for greater productivity, high levels of task competition and performance, and attaining organizational goals. However, also possible dangers for individuals of high levels of this type of commitment were recognized. These include lack of creativity and innovation, limited opportunities for mobility, stifled individual growth, and bureaupathic resistance to change. Furthermore, it includes excessive stress and tension in social and family relations (personal and social alienation), limited time and energy for non-work organizations, overzealous conformity, and lack of peer solidarity for being perceived as rate-buster. Finally, there may be a willingness to engage in corporate crime for the benefit of the firm by putting corporate dictates above their own personal ethics or societal dictates) (Clinard & Yeager, 1980). Perhaps one should add to these dangers the risk of being disappointed by the organization when loyalty turns out to be one-way traffic on the part of the organization man. Dangers of high commitment also exist for organizations, including ineffective use of human resources, lack of organizational flexibility, innovation, and adaptability, inviolate trust in past procedures and policies, irritating and antagonizing people outside the organization from overzealous workers, and illegal or unethical acts committed on behalf of the organization. Blindly devoted individuals may be strongly tied to the organization, but not suited to organizational needs and unable to carry out alternative courses of action (Randall, 1987, 460-461, 462, 464-466). In sum, the costs of highly committed organization men and women may outweigh the advantages and the commonly assumed linear relationship between commitment and desirable consequences be replace by an inverted U-shaped curve between these variables, with a apex at a moderate levels of commitment (Randall, 1987, 467). In addition, Stage 3/4 moral reasoning accurately describes the moral mindset of the organization man or woman. The strengths and weaknesses of a Stage 3/4 company moral climate may be identical to the negative consequences of high commitment, as future

research may reveal.

[78] Commons et al (1998, 248-249) even deny the existence of "such thing as competence", since it is the task performance that is measured. Nevertheless, the authors admit that the observable interaction between researcher and participant is always grounded in an ideal, the ideal here being hierarchical complexity of task. According to GMHC, stage is a property of subject behavior, or response. All behavior of a participant has a stage with respect to the task. Specifically, stage characterizes a subject response to the effective stimuli of given hierarchically ordered task demands. Put briefly, moral development concerns stages of responses to tasks instead of stages of mental logical structures. Nevertheless, the point can be made that the authors put aside competence too hastily. It may even be claimed that they reintroduce "such a thing as competence" through the back door when mentioning task required action or task demands, defining task as some "ideal" set of actions that are performed on some ideal set of objects, and task demands as the contingencies between ideal behavior and stimuli in the situation. Ideal task performance, described as the successful completion of parameters or definitions of the problem. The ideal performer produces the most nearly complete and efficient performance on a task possible (Commons et al, 1998, 249, 256). In these wordings, ideal task performance can be considered as a perfect definition of competence.

[79] In the wordings of Elm & Weber (1984, 345) this can be summarized as follows. Rest's model has the combination of the elements of shared expectations and balancing schemes underlying each stage. All responses given by individuals in resolving moral dilemmas can be characterized as a function of these two elements even though the reasoning may be manifested differently in different contexts. Kohlberg's model has a much more elaborate stage structure, suggesting that every moral judgment can be viewed as an interaction between three factors: addressing a certain kind of moral question, using a particular type of justification, and emerging from a specific social institution. His model creates a logical grid for every type of response rather than accepting different manifestations of a stage of reasoning. This is due to the conceptual difference in the relationship between the content (the values and philosophical principles) of the reasoning process and the structure (cognitive organizational structures) of the process. Kohlberg considers stages of development as independent from the philosophical distinctions. Rest (1979, 45) suggests that such fine distinctions are not particularly psychologically meaningful. He argues that the most useful unit of analysis is the kind of consideration an individual brings up in resolving a moral problem. Such considerations may have both "content" and "structural" elements in them (according to Kohlberg). For Rest, an individual thinking of social cooperation in terms of one-to-one relationships is at a different stage than a person thinking in terms of a societal network of institutions. In Kohlberg's model, these differences represent content differences, and since his stages are structurally defined, would not represent different stages of moral development. Kohlberg considers every response to be distinctly, and separately, classified on the basis of the cognitive structures evoked, whereas Rest considers ranges in responses to represent different manifestations of the same types of reasoning.

[80] In particular, the nature of the evidence remained unclear, notably due to inadequate sample size and composition (women considering abortion and Harvard students), varying probe questions (for instance, shifting from "should" to "would" questions), unreliable scoring systems, lack of quantitative data, incorrect sifting and combination of data of dissimilar studies , and oversimplifying and overinterpreting data. For instance, overlap in scores between men and women is greater than the differences are (Brabeck, 1983/1993, 38; Broughton, 1983/1993, 116-119 ; Luria, 1986, 316-318).

[81] In line with elaborations aforementioned, a care orientation should not too early be identified with Stage 3 only; a person can express care for the organization, for society at large, or even humankind in

general.

[82] In Reich's view, only people are citizens, and corporations are not. Corporations are pieces of paper, contractual agreements. According to Reich, the anthropomorphic fallacy that corporations are people has led to some bizarre public policies. For example, federal prosecutors occasionally indict corporations for criminal behavior, as occurred to Arthur Andersen, the accounting firm that allegedly helped Enron. A criminal indictment was issued against Arthur Andersen, resulting in many Andersen's senior partners getting new jobs as the firm disappeared, while many of the lower-level employees who were completely innocent lost their jobs and bore most of the burden.

[83] Unlike Puka (1991, 380) seems to suggest, this does not imply that (only) Stage 6 morality can yield concrete solutions to all moral problems. Many issues can be dealt with adequately with moral reasons taken from lower stages. As such, each moral stage has its own conception of morality and defines its own moral issues, Stage 6 representing the most developed, though not unproblematic fashion.
[84] A fine example of Stage 7 thinking can be found in *Vägmärken* (1963) translated as *Markings* (1964) and *Merkstenen* (1965) of Dag Hammarskjöld (1905-1961), the second Secretary-General of the United Nations (awarded a posthumous Nobel Peace Prize). He took medieval mystics, notably Meister Eckhart as an example and considered 'self-surrender' as the way to self-realization, and found in 'singleness of mind' and 'inwardness' strength to say yes to every demand which the needs of their neighbors made them face, and to say yes also to every fate life had in store for them when they followed the call of duty as they understood. Another fine example can be found in a fragment taken from *A Testament* of the architect Frank Lloyd Wright (1957) reflecting upon human architecture:

> "Constantly I have referred to a more 'Humane Architecture', so I will try to explain what humane means to me, an architect. Like organic architecture, the quality of humanity is interior to man. As the solar system is reckoned in terms of light years, so may the inner light be what we are calling humanity. This element, Man as light, is beyond all reckoning. Buddha was known as the light of Asia; Jesus as the light of the world. Sunlight is to nature as this interior light is to man's spirit: Manlight.
> Manlight is above instinct. Human imagination by way of this interior light lived in the man. The spirit is illuminated by it and to the extent that his life is this light and it proceeds from him, it in turn illumines his kind. Affirmations of this light in human life and work are man's true happiness.
> There is nothing higher in human consciousness than beams of this interior light. We call them beauty. Beauty is but the shining of man's light- radiance the high romance of his manhood as we know Architecture, the Arts, Philosophy, Religion, to be romantic. All come to nourish or be nourished by this inextinguishable light within the soul of man. He can give no intellectual consideration above or beyond this inspiration. From cradle to grave his true being craves this reality to assure the continuation of his life as Light thereafter.
> As sunlight falls around a helpless thing, revealing form and countenance, so a corresponding light, of which the sun is a symbol, shines from the inspired work of mankind. This inner light is assurance that man's Architecture, Art and Religion, are as one - its symbolic emblems. Then we may call humanity itself the light that never fails. Baser elements in man are subject to this miracle of his own light. Sunrise and sunset are appropriate symbols of Man's existence on earth.
> There is no more precious element of immortality than mankind as thus humane. Heaven may be the symbol of this light of lights only insofar as heaven is thus a haven.
> Mankind has various names for this interior light, 'the soul' for instance. To be truly humane is divinity in the only sense conceivable. There can be no such thing as absolute death or utter evil- all being from the light in some form. In the last analysis there is no evil because shadow itself is of the light."

[85] According to Kohlberg & Ryncarz (1990, 195), this reversal of figure and ground felt in the contemplative moment has its analogy in the development of belief. On its turn, this development has some parallels to the movement of moral thinking. The adolescent crisis of relativism (Stage 4 ½) can

only occur because there is a dim apprehension of some more universal ethical standard in terms of which the cultural code is relative and arbitrary. To explore the crisis of relativism thoroughly and consistently is to decenter from the self, reverse figure and ground, and see as figure the vague standpoint of principle that is the background of the sense of relativity. Similarly, one may argue that the crisis of despair precipitated by the recognition of one's finite character from the perspective of the infinite, when thoroughly and courageously explored, leads to a figure – ground shift that reveals the positive validity of the cosmic perspective implicit in it.

[86] This distinction is based upon five central criteria (1-5) and two critical indicators (A-B) (based rather literally upon Kohlberg & Ryncarz, 1990, 204-206):
1. One of the central criteria is universality. Hard stages are universal, which means that the stages as well as their sequence can be found in every literate culture. Hard stages do not only correspond to universal structures, but also to universal functions (in the intellectual and moral domains, logic and moral judgment are culturally universal functions of the mind). In contrast, soft-stage development should not be looked upon as final phases in a universal, linear sequence. Soft stages are optional, rather than necessary tracks of development, while representing reflective theories that individuals construct. Hence, they are second order, or metamodes of reflection and not new structural forms. Therefore, according to Kohlberg, are stages of logic and morality culturally universal in that they address problems that face all human beings, and stages of meta-ethical, religious, ontological or epistemological philosophies are not. Movement in these stages is an option for individuals who are induced by their own personalities and life circumstances into those forms of reflection on life's meaning that soft stages represent. The development of advanced stages of reflective thought may depend more in unique personal experiences than on universal interactive experiences of logical and moral conflict assumed to lead to hard-stage development.
2. The second criterion of hard stages is that their structures embody operative reasoning. Piagetan structures of reasoning represent interiorized forms of action (or what Piaget calls operations). Empirically, this implies that the stages are related to individuals' actions with regard to the physical or social world. The moral stages are related to moral action in direct ways. The interiorized forms of action that they represent are prescriptive forms of role taking in concrete moral situations. The justice stages, then, represent the different operations of reciprocity, reversibility, equality, and universalizability. In both logical and moral judgment, the operative functions of each stage constitute an equilibrated system, that is, each stage is a form of equilibration providing solutions to anomaly. The experience of resolution is the experience of closure within a system or a press toward consistency; in the sociomoral domain, there is a press toward consistency bound up with a notion of oughtness or prescriptivity. On their turn, soft stages represent theories rather than operations. They are qualitative levels and there is a differentiation as well as a hierarchy of reflectivity than can be identified. But as (self-)reflective forms of development, soft stages are directly linked to action or to problem solving, as are hard stages of operative reasoning. Moreover, according to Kohlberg, there is little or no evidence within any soft-stage model of a press toward consistency.
3. The third criterion to distinguish hard and soft stages is the plausibility of distinguishing content from structure. Separating content from structure is a result of the identification of operations in a given domain. Differing from hard stages, soft-stage models do not appear strictly to separate the content of beliefs and theories from the forms of reasoning in any given domain. Typically, propounders of soft-stage models have not attempted to separate favored content from the structure of thought. In this vein, the metaphorical Stage 7 does not represent a typical structure of moral reasoning but has its focus on ontological contents.
4. The fourth criterion of hard stages is that they be amenable to formalization with a rational normative model. A normative model constitutes a standard or regulative norm (as an established ideal) and has its foundation in human rationality. It must include a philosophical statement of an endpoint or most equilibrated stage. Hard stages are rational reconstructions of ontogenesis presuming some endpoint rational agents could agree upon. Kohlberg's (and Piaget's) focus on morality as deontological justice springs in part from their concern with moral and ethical universality in moral judgment. For that reason, Kohlberg focused particularly on stages of justice reasoning, since regardless of variation in ontological or religious beliefs or ideals of the good life, human beings must strive to achieve rational agreement on principles to resolve conflicting claims or rights. Sift stages cannot be formalized into a normative model, since development to the higher soft stages is optional.
5. The fifth criterion of hard stages is the absence of an ego or a self in the construction of the stages. In studying moral judgment, Kohlberg followed Piaget in describing an epistemic subject, as the rational moral subject abstracted from the larger, functioning ego of the self. Differing from hard stages, soft stages always seem to involve an integral concept of the self and of increased psychological self-awareness.
A. The first critical feature in the distinction between hard and soft stages concerns the relationship between the

two. Hard stages are necessary but insufficient for soft stages. Moral stages are found to be necessary but not sufficient for Fowler's stages of faith. This relationship lends support to the notion that soft stages embody second order or metamodes of reflection; they represent reflections on the self's morality and logic.
B. The second critical feature in this distinction is that the terminus of many soft-stage sequences is some mystical, transcendental, post-rational level. These levels move beyond a criterion of rationality or autonomy that is inherent in hard stages. In fact, the endpoint of all soft-stage sequences appeal to some notion of totality of unity or opts for the dialectical transcending the subjective-objective distinction.

[87] Domain specific development can also be explained in terms of a theory of ego-positions. In (post)modern psychology, the individual is rather considered as a collection of ego-positions within an organized self than as a monolithic self. Ego-positions are taken dependent from the social context and the tasks and assignments it brings about for the individual. Every ego-position then, can dispose of its own self-justifying 'narratives'. This implies, that within each we person, we may expect a rather inconsistent collection of moral justifications that are used throughout different situations with regard to different objects of moral consideration. Marlet (1981) suggest calling this phenomenon "compartmental thinking and feeling". People become dissociated compartmentally, dependent on the situation they are part of. In this vein, different attitudes to different aspects of the outer world are possible. We are innumerable and there are as many ego-positions in us as there are groups we belong to. Each moment one of these ego-positions is actualized and others are put aside, without their influence being cancelled out. To Marlet, this is an everyday phenomenon occurring to people who in different situations play different roles, while their ethical intentions, geared to situations in which they are acting, are in conflict with one another and cannot be integrated. This explains why a person judges and behaves differently at home and at work, and even different within these two spheres dependent from the object of moral consideration (Bennink, 1994b; Bennink, 2004; Bettelheim, 1965; Hermans, 1987; 1991; 2006; Hermans, Kempen & Van Loon, 1992: 1993, Marlet, 1991).

[88] It should be noted that these findings may be due to not using a Stage 3/4 moral stage, causing confusion among both managers and researchers concerning answering and scoring the answers into the proper category. In others words, the differences found may not have occurred when using a Stage 3/4 category.

[89] Elm and Weber offer the following comparison of the MJI and the DIT concerning its main features:

	Moral Judgment Interview	**Defining Issues Test**
conceptual foundations	justice as fairness hard stage concept structural stage definition	balance for social equilibrium/justice soft stage concept content/structural stage definition
demand characteristics	formulation or production task	recognition task
administration process	oral or written interview open-ended responses requires trained interviewer	written survey Likert scale responses does not require trained administrator
data analysis	content analysis coding stage score	mathematical calculation (percentage) P score
data configuration	discontinuous variable limited parametric statistical analysis correlated with external criterion variables, moderate prior research data	continuous variable full parametric statistical analysis correlated with external criterion variables extensive prior research data
reliability validity	reliable and valid	reliable and valid
business application	adapted to business context	not yet adapted to business context

[90] Here should be pointed at Van Haaften's argument giving an *internal* transcendental-genetic

argument to close the logical gap in the is-ought question: the transformation into a new stage can lead to a new mode of conceptualization of the moral domain that provides us with compelling and convincing reasons to consider that new mode as better than the preceding one(s). The special feature of this move is the fact that the possibility of this justification is produced by the very development to be justified. This type of argument is not circular, because of its not strictly deductive character. It is based on an understanding of what is involved in the praxis of argumentation, which is itself shaped by the very process of rationality development that is the foundational claim is about. The transcendental-genetic argument is a limited but strong type of argument to justify a small set of forms of rational development. As such, some principles in the moral domain can be defended in a transcendental way, for instance the principle of respect for persons. This principle can be conceived formally as the idea that a person should be seen as an intentional and as a unique source of insights and considerations that may add to human communication. It might be argued further that (in order to attain maximum rationality in the broad sense) every unique and irreplaceable should be given a voice, and hence that his or her integrity be protected (Van Haaften, 1984b; 1990, 1997a, 85-89).
However, the question remains whether this maneuver can in other moral issues indeed take place without an external criterion (of course depending on what is considered internal and external with respect to stages).

[91] Contrary to this assumption, Walker (1982) found that exposure to N+2 reasoning was just as effective as exposing to N+1 reasoning, but because of sample characteristics, this issue needs further clarification before having its impact on intervention methods.

[92] The extant literature concerning moral education consists of ample descriptions of models of moral education. However, since these models play their part in subsequent chapters, these models will be outlined, for appropriate understanding.
(1) The *conditioning* or *habituation* model influences by discouraging unwanted moral attitudes, motivations, contents, and behavior and eventually sanctioning them through punishment, or by encouraging wanted moral attitudes, motivations, contents, and behavior and eventually sanctioning through rewards.
The intended goal of punishing is that the culprit feels remorse and regret, tries to make amends, and shows the desired behavior. Apart from remorse, punishment can also lead to revenge and retaliation, blaming others, or looking for smarter tricks to continue business in the same old way.
When punishment is inevitable and there are no alternatives, it should take place in a morally defendable way, that is, respectfully and carefully by means of a well-founded and sound corrective conversation. Administering sanctions should be based on seven principles for effective correction: immediate correction (or at least, well-scheduled), consistent correction (over time, across employees, and across managers for the same undesirable behavior), impartially (fair and just) correction, progressive correction (increasing sentences in case of recidivism), clear, distinct and transparent correction (provided with a clear and unambiguous rationale, based on univocal and relevant rules), proportional correction (correction and sanction should match the seriousness of rule violation), and finally stimulating correction (if possible, exploring backgrounds and motives for rule violating behavior, and giving realistic directions for correct behavior) (Arvey & Ivancevich, 1980, 126-129; Voorendonk, 1988, 289-299).
Rewarding can take place through compliments, honorable mention, or giving bounties. Rewards seldom work with people beyond conventional stages and may even cause a relapse in moral performance. On the other hand, everyone needs a positive now and then.
When argumentation is withheld, this way of exerting power does not invite to reflect upon one's morality and cultivates dependency of external sources of control. Moreover, it does not develop an internal relationship with moral contents, apart from an external and uncritical relationship in which rules are followed unquestioningly either out of fear for punishment or because it yields rewards.

Conditioning does not always happen deliberately. Often it works subtle and implicit in the ways people influence each other when they socialize each other in the "hidden curriculum" of the organization.
(2) *Transfer* of moral contents and reasoning aims at an affective identification and internalization of moral contents and conventional modes of moral reasoning, based on an internal relationship with rules and virtues. Not knowledge of moral contents and argumentation structures is the aim, but acknowledgement, based on the following rule of three: instilling, teaching, and acceptance (Van Haaften, 1992, 135). The question is, who's morality is transferred and why in the transfer model. The model is reproached for moralizing and indoctrination when those influenced are not able to judge the value of the transferred moral contents and criticize it. However, as Kohlberg - who initially thought that transferring morals is not moral education - recognized, moral education cannot be but partly indoctrinating. In Peters' (1974, 272) well-known formulation, one cannot enter the palace of reason but through the courtyard of habit and tradition (see also, Van Haaften, 1990b). Nevertheless, to anticipate the higher stages of moral reasoning, transfer of moral contents and modes of moral reasoning should be substantiated as much as possible. Only then, people can reflect upon contents and structures and replace them by better and self-chosen ones, if desired. The transfer model can be used developmentally to invite pre-conventionals to enter the conventional level and sometimes to guide conventionals to moral domains they were not aware of before (moral contents and structures from higher stages within the conventional level).
(3) The *clarification* model is built on the Socratic dialogue and suits the conventional stages and invites people to make explicit and concrete the moral contents and modes of moral argumentation they already possess tacitly (Van Tongeren, 1988). People are also invited to examine their moral contents and argumentation concerning their coherence and consistency, eventually to bring them to think and judge for themselves. This takes place not through overriding or confrontation, but through posing people right questions, drawing their attention to contradictions and inviting them to formulate their opinions and points of views better, that is, more coherent and consistent, and hence, more plausible. The clarification model does not transfer moral contents, though on a deeper, more implicit level, it communicates values such as respect and tolerance, autonomy, and consistency. The reproach that the clarification model is free of obligations while suggesting that "anything goes", does not hold insofar as clarification in fact is an invitation to think, judge, act post-conventionally.
(4) The *argumentation* model fits perfectly the post-conventional stages and is characterized by rational deliberation about which values are worth pursuing and which norms deserve validation. All-sidedness means doing justice to all people involved based on social, argumentative, and moral competence (perspective-taking, substantiating claims with valid arguments, and using moral contents to judge the validity of moral claims, respectively). The argumentation model presupposes the presence of moral contents as well as reflective competence (Roumen, 1988; Steutel, 1989a; Van Willigenberg, Van den Beld, Heeger & Verweij, 1993, 50ff), and competence in applying the rules of rational discourse (Van Eemeren, Grootendorst & Kruiger, 1983). Constructing wisdom through rational deliberation goes far beyond convincing other people of your opinion. These claims make the argumentation model rather demanding and not practicable in moral discourse with people in lower stages of moral development. When the moral discussion is about meta-ethical issues (such as, "What counts as a good moral reason?" or "What does integrity mean?", we could label this discussion as "meta-communicative argumentation" (Coombs, 1980a, 16; De Mul & Snik, 1987, 121; Van der Ven, 1985, 25-37). The outcome of rational deliberation according to the (meta)argumentation model can be consensus, compromise, or dissensus ("agree to disagree").
(5) *Presenting and explaining scenarios* concerning possible courses of moral action is the only model that is not specifically tied to particular stages, at least, at first sight. In a moral discourse, to the person(s) one is speaking to, two or more particular courses of moral thinking, judging, and acting are presented and their pros and cons explained, in order to offer those person(s) one is speaking to the opportunity to make a

substantiated choice. This model is touched by the reproaches of indoctrination and being free of obligation equally. Indoctrination concerns the information given about alternatives, whereas the non-committal attitude concerns decision-making. However, learning how to make decisions is an implicit goal and outcome of this model (Van Es & Meijlink, 1995, 138-139). This model can be used for both consolidation and development, depending on the stage of moral development the people to be influenced are in. One the hand this model is stage-independent, though on the other hand, the specific contents of the scenarios presented and explained may reflect the moral concerns of two adjacent stages. This is easy to understand since moral dilemmas usually occur on the edge of two stages of moral development. The argument from stage N is at odds with either the argument from stage N+1 or stage N-1. In short, scenarios can be offered in every stage, but its contents are stage-specific. Furthermore, the model is not much use in moral conversation with post-conventionals, since they may take up the presentation of course of action as the first step in a rational deliberation, while presenting their own scenarios as well, thus turning the model into the argumentation model.

[93] For each stage transition, interventions can be chosen that aim at both widening the moral horizon and adopting other moral justification strategies (Duska & Whelan, 1975, 112-114; Lickona, 1986).

From Stage 1 to Stage 2:
- Teach that there is a limit to the possibilities of own behavior.
- Point at alternatives for behavior.
- Neglect undesirable behavior and stimulate desired behavior.
- Attach negative sanctions to undesirable actions (as a way to make people feel responsible).

From Stage 2 to Stage 3:
- Give the experience to be listened at
- Set people thinking by asking questions about moral issues, about what is (not) fair and about their own share.
- Try to build authority upon affection (in order to arrive at affective identification).
- Make people choose (the situation permitting) and reflect upon effects choices made and of not choosing.
- Make people recognize and understand that the interests of others and own interests are not always compatible.
- Ask people to take into account the opinions and interests of other relevant people.
- Stimulate formulating explicitly implicitly held rules.
- Stimulate recognizing and realizing group or team goals and interests.
- Stimulate a feeling of oneness with the group and team spirit, and conformation to group values, rules and virtues.

From Stage 3 via Stage 3/4 to Stage 4:
- Stimulate considering moral issues from other positions and perspectives (interests of others).
- Help people understand moral reasoning processes of themselves and others (by role-taking).
- Stimulate formulating explicitly and explaining the contents of moral judgments.
- Stimulate reflection upon own (unconscious) manipulative behavior.
- Stimulate critical examination of group norms and to put these in to the bigger frame of organization, type of industry, and society at large.
- Stimulate formulation new (better) rules.
- Stimulate sense of duty and accounting for others, the organization, and larger societal context.
- Stimulate reflection upon the meaning and purport of moral concepts (honesty, justice, respect, responsibility).
- Stimulate respectful dealing with conflicts of interests and opinions and refining own position.

From Stage 4 to Stage 5:
- Stimulate considering procedures to arrive at new, more just rules.
- Stimulate taking responsibility for own real share in the organization.
- Stimulate thinking in terms of growth and development.
- Stimulate moral thinking by discussing moral issues concern the tensions between individual, team, organization, and society.

From Stage 5 to Stage 6:
- Stimulate the development of respect for rights of individuals and groups.

- Stimulate the development of the competence to judge the system (the organization or its formal and informal subsystems) in terms of corporate social responsibility (both internal and external impact).
- Stimulate discussing moral issues and give substantiated opinions.
- Stimulate discussing the meaning of moral terms and concepts.
- Stimulate formulating universal rules.

[94] Moral dilemmas in questionnaire items are best tailor-made, matching the themes of the dilemma with the context and the ongoing of the organization. Good dilemmas meets the following criteria (De Mink, 1991, 92-93; 1993, 43-48): (1) fit in with the environment of the respondents or informants, (2) match the actual situation of the people involved, (3) socially relevant, (4) concern moral issues, (5) with opposed solutions, (6) imply an "ought to", (7) simple, (8) open-ended, (9) evoke conflicting opinions and (10) moral reasons by asking why-questions. Dilemma stories can also be used in group discussions as a mode of intervention aiming at either moral consolidation or moral development.
Dilemmas can be presented as a short narratives, as a list of statements with Likert-type scales, as a described dilemma with pros and cons concerning various courses of action, as a described dilemma with arguments representing stages of moral development, or as a described dilemma with three reasoning points of view, one of which need to be chosen and specified (De Mink, 1993, 37-38).
While discussing moral dilemmas, several types of questions can be asked, including why-questions, more-questions (more reasons, more arguments), "should" and "would" questions, N+1 questions, universal consequences questions, role taking questions, conceptual questions.

[95] This issue has its counterpart in the discussion in the realm of human resources management about best practice of human recourse management versus strategic fit. The best practice model advocates universalism, arguing that all firms will be better off if they identify and adopt 'best practice' in the way they manage people. The 'best fit' position argues that HR strategy will be more effective when it is appropriately integrated with its specific organizational and broader environmental context contingencies. From the perspective of organizational effectiveness, the 'best fit' position has the better credentials (Boxall & Purcell, 2003, 47-70).

[96] This reflects two hypotheses formulated by Mintzberg (1983, 121-122). (1) Effective structuring requires a close fit between the situational forces and the design factors (the congruence hypothesis). (2) Effective structuring requires an internal consistency among the design parameters (the configuration hypothesis). Mintzberg combined these hypotheses, as effective structuring requires a consistency among the design parameters and contingency factors (the extended configuration hypothesis).

[97] Empirically found clusters of morality in institutional arrangements do not imply an adherence to the so called 'Separatist Thesis', especially not when this means that the ethics of business organizations as well as other types of organizations involve an institutional exemption from the normal dictates of moral and juridical conscience (such as the law). The 'Separatist Thesis' - a term introduced by Gewirth (1986) - has its origins in discussions on the essence and the limits of professional morality (that is, the morality of professional occupations, in particular medicine). According to this thesis, professionals, by the virtue of their expertise and their consequent roles, have rights and duties that are unique to themselves and that may hence not only be different from, but even contrary to, the rights and duties that are found in other segments of morality ('ordinary morality'). By virtue of the separateness, the rights of professionals may justifiably infringe certain of the moral rights of their clients or other professionals. To be sure, this does not mean that professional activities are or should be free from all moral restraints. According to Gewirth, it is not a thesis of complete or even partial amoralism. Rather, the separatist holds that one aspect of morality, namely specific role-based actions on behalf of clients or other valuable purposes of

professional activity, takes precedence over many aspects of morality, including especially the moral rights either of the client or of other persons, where these rights are not based on specific services to this client or professional purposes. Gewirth refutes the 'Separatist Thesis' because professionals lack justifiable reasons for infringing moral rights of their clients. In his argumentation, Gewirth uses the general principle of rational ethics (the Principle of Generic Consistency), in fact a special of version of post-conventional morality. According to Ellin (1982), a separate morality always originates from a general morality, and hence must exactly there find criteria for justification moral decisions. From this perspective, a conflict between professional morality and general morality can always be reduced to a conflict within general morality. From the perspective of cognitive moral developmental theory, the issue concerning the 'Separatist Thesis' can be formulated as well as transcended in developmental terms. As we have seen earlier, each stage of moral development represents its own concept of morality, with principled (post-conventional) morality as a more (or the most) sophisticated form of morality. An organization's moral climate then can be understood as the institutionalized form of a certain stage of morality. To avoid misunderstanding at this point, a distinction must be made between the descriptive-empirical perspective and a normative-evaluative perspective. From a descriptive empirical perspective it can be argued that organizational morality differs from everyday morality because it cannot be otherwise, for instance because of market constraints, or, on the other hand, by striving to be at the forefront when setting examples. Specific tasks and assignments may ask for special moral decisions and behaviors. From a normative-evaluative perspective, there is no sound reason to create a specific province for organizational morality. Ethical obligations of organizations are not fundamentally different from those of the other moral actors in society. Cognitive moral developmental theory and the moral climate theory that is based upon it offer a solution for the 'Separatist Thesis' while explaining empirical differences from a general and developmental point of view. Institutional and other contextual circumstances may push or pull an organization toward specific moral decision patterns that may be different from generally occurring moral decisions patterns in everyday life in society. Organizations may remain behind, keep up or lead the way when compared to everyday moral behavior and public morality, depending on their tasks and assignments.

[98] The well-known distinction in social responsibility categories proposed by Carroll (1979) helps us to identify the main type of responsibility in each institutional field: economic, legal, ethical, and discretionary responsibilities. According to Carroll (1979, 499-500), these categories are neither mutually exclusive nor represents a continuum in which they are cumulative or additive. Instead, every organization has or takes these responsibilities, though in the institutional fields, one of the responsibility categories is dominant, as an aspect of isomorphism within institutional fields. *Economic* responsibility is dominant in the for-profit field, since for-profit organizations have the responsibility to produce goods and deliver services. *Legal* responsibility is dominant in governmental organizations, exactly because law prescribes their function while their task is carrying out codified legal regulations and designing better ones. *Ethical* responsibilities are essential to the not-for-profit field because of the moral value-driven nature of products and services of not-for-profit organizations (heath, welfare, education). Finally, *discretionary* (volitional or supererogatory) responsibilities are left to individual judgment and choice of those united in non-governmental organizations (NGO's) pursuing philanthropic goals.

[99] 'Noble cause decision-making' is a specific way of creative use of discretionary authority, both within and outside the law. This type of decision-making may based on either a post-conventional teleological interpretation of laws and local ordinances or be caused by work-related obstacles such as shortage of personnel, too little time for paperwork, or professional frustration (see Van Halderen, 2010, for an excellent discussion of the issue, based on thorough research).

[100] Apart from the official curriculum, schools have also a "hidden curriculum". This "hidden curriculum concerns for instance, the transferring of values and norms that are of great importance for the maintaining of economic growth and political stability within a societal system: readiness to comply, readiness to work, readiness for mobility, awareness of responsibilities, and good manners are expected from the students every day, and are enclosed in the rules, routines, and rituals of the school as an institution. Achievement mentality and competitive spirit are part of the school system. Other artifacts in the educational situation, including material for study, system of marks, type of exams, size of classrooms, arrangement of furniture, teaching methods, include numerous hidden messages and implicit values and norms. By complying with the school order and classroom conventions, students daily learn values and norms that are of great importance for future functioning in society and within organizations. Correct attitudes facing authorities, discipline, and self-regulation are acquired in daily participation in the classroom. Teachers and professors are role models trough the behavior they show and through which they transfer values and norms by demonstrating them. Educators are intermediaries who put emphasis on those aspects of the official curriculum that they value or disapprove. Our society would function inadequately if these implicit socialization processes would not take place (Klaassen, 1996).

Chapter 5: notes

[101] The question is how these studies did deal with cross-cultural management issues. Adler (1983) discusses six approaching to address these issues: parochial, ethnocentric, polycentric, comparative, geocentric, and synergistic. In 1983, the most common type of management studies was the *parochial* type: studies of the United States conducted by people from the United States of America, based on assumed similarity between American and foreign culture. Furthermore, it is assumed that all traditional methodologies issues concerning design, sampling, instrumentation, analysis, and interpretation without reference to culture. The second most common type was the *ethnocentric* type: studies attempting to replicate American management research in foreign countries based on a search for similarity and questioned universality. Can home country theories be used and standardized abroad? Can instruments be literally translated? The idea is that replication should be identical to the original study with the exception of the language.

The third type is labeled *polycentric*: studies focusing on describing, explaining, and interpreting the patterns of management and organization in foreign countries based on the assumption of denied universality and the search for differences. How do manager manage and employees behave in a particular foreign country? What is the pattern of organizational relationships in that particular country? How can organizations be studied without using home country theories and models and without using unobtrusive measures? The focus is on inductive methods and unobtrusive measures.

The fourth type, *comparative* management studies, attempts to identify those aspects of organizations similar to and different in cultures around the world. Studies contrast cultures, for instance by comparing organizations in foreign cultures. Which theories will hold across cultures and which do not? There is a search for equivalence: is the methodology equivalent at each stage in the research process? Are the meaning of key concepts defined equivalently? Has research been designed such that samples, instrumentation, administration, analysis, and interpretation are equivalent with reference to the cultures included?

The fifth type, the *geocentric* studies, focuses on studying organizations operating in more than one culture. In international business, these studies focus on identifying the similarities among cultures allowing multinational organizations (MNOs) to have unified policies for their worldwide operations. There is a search for similarity, based on the idea of extended universality and the tendency to geographic dispersion. Translation of instruments is often less of a problem since most MNOs have a common language across all countries in which they operate, while ignoring cultural aspects.

The sixth, least common, type of management research, consists of culturally *synergistic* studies that emphasize creating universality and study intercultural action within work settings. Leading question is how organizations can create structures and processes that are effective in working with members of all cultures, in an attempt to balance culturally specific and universal processes within one organization by using similarities and differences productively.
Most cross-national studies do not seem to bother cultural differences and similarities, let alone be reflective on cross-national cultural influences. Brugman, Heymans, Boom, Podolskij, Karabanova & Idobaeva (2003) paid special attention to cultural issues in their Dutch-Russian research of moral atmosphere in secondary schools, however without explaining how, apart from reformulating some questionnaire items. Hoffman (1998), familiar with Adler's paper, and using Hofstede's cultural dimensions, seems to have adopted a geocentric approach while aiming at extended universality despite national differences (based on the comparative approach of Hofstede) while trying to identify and select countries that offer the best fit with the firm's ethical orientation. Herndon, Fraedrich, and Yeh (2001), who investigated the moral values and the ethical content of the corporate culture of Taiwanese versus U.S. sales people, also adopted a comparative approach, though used their research instrument in a parochial way. Lemmergaard (2004) explicitly tried to avoid the parochial pitfall by adapting the Ethical Climate Questionnaire of Victor and Cullen for appropriate use in Danish firms. Parboteeah, Cullen, Victor, and Sakano (2005) who investigated the effects of Japanese and U.S. national cultures on ethical climates within accounting organizations, adopted a comparative approach and controlled their questionnaire for construct equivalence based on insights taken from Adler's paper. Finally, Teen, Teo, and Lander (2009) seem to have adopted a geocentric approach, using the same questionnaire in twelve countries without bothering whether cross-national bias might occur because of this rather parochial constructed questionnaire. To our experience, Adler's typology offers possibility for multiple scoring, and hence may not be a proper typology. Therefore, as it seems, both Adler's typology and cross-national moral climate research should get proper attention, Adler's typology for its assumptions and research in avoiding bias and unwarranted results.

[102] Norms were classified as spontaneous when students hesitated to describe what is expected as obligatory but instead report that most students are naturally motivated to uphold it. Thus, they will say students do not *have* in accord with the norm but most likely would *want* to act in that way.

[103] Affiliative constituency and speaker representation can overlap, but this need not be the case. Affiliative constituency may sometimes be broader than the speaker representation, for instance when a principal decrees that there is to be no smoking in the school. Here, the affiliative constituency would include all members of the school, but if the decree only reflects the arbitrary will of the principal, the speaker representation would include only this principal (Power, Higgins & Kohlberg, 1989, 124).

[104] Though Power, Higgins, and Kohlberg mention some methodological issues (for instance, not everyone speaks in a community meeting, the elliptical character of many of the statements, making them hard to interpret, and the lack of guarantee that students who speak, represent the population), and solve them by supplementing the community meeting analysis by reviewing transcripts of other meetings and by interviewing a representative sample (of approximately twenty students each spring) with the ethnographic moral atmosphere interview to compare data from two different sources to check on the validity of assessments, they ignore problems of aggregation for the greater part.

[105] Secondary schools are considered to be closer to Gesellschaft than Gemeinschaft insofar as students go to school willingly or with some coercion from family or the state, in order to acquire those

competencies believed to facilitate their future participation in work, familial, and political roles. More generally, I consider it questionable whether this theoretical decoration adds much to our understanding of the just community approach. The concepts of Gemeinschaft and Gesellschaft are torn loose from its initial theoretical framework, and applied freely in a rather uncritical way, emphasizing only superficial resemblances. Though Tönnies did not formulate an explicit organization theory, his formal sociological concepts offer us an opportunity to gain richer understanding of organizational phenomena. However, as Tönnies' concepts play only a minor and not elaborated role in Kohlbergian moral climate theory (and in others as well), this orientation is left aside for the moment.

[106] In fact, six practical pedagogical arguments are given in favor of the just community approach (Power, Higgins & Kohlberg, 1989, 27).
1. Because democratic meetings deal with real life-problems and resolutions, they may more effectively promote moral development than discussions of hypothetical dilemmas.
2. Democracy, by equalizing power relations, encourages students to think for themselves and not to depend upon external authorities to do their thinking for them.
3. If Dewey's principle of learning by doing is accepted, the most effective way of teaching students the democratic values of our society is to give them the opportunity to practice them.
4. Another argument (borrowed from Mill), is that errors are more likely to be corrected in a democratic society that encourages open expression and examination of opinions than in a closed and authoritarian society. Decisions of administrators and teachers are expected to be wiser if they include students in the process.
5. Democracy can help to overcome the breach between adult and peer cultures in the school by creating a shared sense of ownership of and responsibility for school rules.
6. Democracy encourages students to follow the rules of the school. Having publicly voted for rules, individuals experience personal and social pressure toward consistency in their actions.

[107] Of course, there are more studies examining moral climate among the sales force (for instance, Dorsch, Swanson & Kelley, 1998; Herndon, Fraedrich & Yeh, 2001; Kelley & Dorsch, 1991; Leung, 2008; Ross & Robertson, 2000; Singhapakdi ,1993; Vaicys, Barnett & Brown, 1996; Verbeke, Ouwerkerk & Peelen, 1996; Vitell, Rallapalli & Singhapakdi, 1993). However, the contributions included in this subsection all show a gradual diversion from both Kohlbergian theory and the pivotal model of Victor and Cullen, as well as an internal coherence concerning terminology and research. Though these publications are referred to by the authors discussed in this subsection, comparing their studies would be rather difficult because of different terminology and research design.

[108] As was indicated in chapter 1, the initial idea to include an indication of the research rigor (Filley & House, 1969, 41-49) of the contribution has been dropped since nearly all of the empirical contributions fall into the same category (most of them surveys, a few laboratory experimentation studies), making research rigor hardly a distinguishing characteristic.

[109] To compute these relative scores, the percentage of single variables is computed without the composite variables (n=277-19=258) and then compared to the percentages in which the elements of the composite variables are included (i: 61% - 59%; d: 28% - 24.4%; mo: 3.6% - 2.3%; me: 15.1% - 14.3%). In plain language, the frequency of moral climate as dependent variable is slightly higher when composite variables are broken down into their components, whereas moral climate as an independent variable is slightly lower. Moral climate as a moderator scores higher and moral climate as a mediator slightly lower.

[110] In the Kohlbergian section (HIG95; LO95; PHK89; RP80), the tension between criteria for evaluation is recognized when asking whether there are limits to the development of individual morality, especially when the social environment of that particular individual requires a low stage of moral reasoning as

surviving tool (for instance, Stage 2 moral reasoning matching slum situations). From section 2, Robin and Reidenbach suggest a balance between ethics and profits (without further discussion), whereas Petrick and Manning combine the Kohlbergian developmental notion with the pragmatic contingency device that quality processes in organizations require a Stage 5 morality. Maon, Lindgreen and Swaen (2010) favor a moral developmental criterion, but suggest pragmatic contingency insofar as CSR ambitions match the possibilities such that these possibilities determine the limits of development. In section 4, Sims and Kroeck (1994) and Sims and Keon (1997) propose both a "more moral" perspective and an ethical fit between individuals and their organization. Agarwal and Malloy (1999) and Malloy and Agarwal (2008) suggest that though a universal or cosmopolitan orientation is laudable, it may well impede organizational effectiveness and efficiency. Perhaps, some balance of cosmopolitan and local norms, values, and beliefs is appropriate for the reality of comprehensive organizational life, such that the principled or cosmopolitan level subsumes the rational (organizational) and the sub-rational (individual) levels without exercising them. Erakovich, Bruce, and Wyman (2002), Bline, Cullinan, and Farrar (2008) suggest that a principled climate may be less important in non-professional companies than in public organizations and professional areas. Lemmergaard (2004) favors a principled climate for being the most beneficial for ethnic minorities. Tsai and Huang (2008) mistakenly use the typology of Victor and Cullen in a prescriptive manner while at the same time suggesting an ethical fit between ethical climate types, facets of job satisfaction and components of organizational commitment. As it seems, they favor a caring climate as suiting best the caring function of hospitals. In the same vein, Goldman and Tabak (2010) posit that health care organizations ask for a caring climate, as do Kennedy, Ferrell, and LeClair (2001) for sales organizations. Thus, these authors either use "more moral" and "ethical fit" or link level of morality to organizational task setting, though without discussing the inherent tension of the criteria in use. In section 5, Treviño (1990) and Treviño and Nelson (1995; 2007) embrace a non-Kohlbergian "more moral" perspective, while at the same time emphasizing a fit between ethics culture and organizational tasks and assignments, again without specifying the problematic nature of using these two criteria simultaneously. From section 6, Cohen (1995; 1998) uses pushing back anomie as one evaluative criterion, and respecting the law as another. Schwepker (2001), Schwepker and Hartline (2005), and Schwepker and Good (2007) use both a "more moral" perspective and a person-situation ethical fit, without much discussion. Finally, from section 7, Menzel (1993) does not pay special attention to evaluative issues, but simply speaks of stronger and weaker ethical climate, without explaining what strong and weak means on a scale of ethicality. Furthermore, he seems to adopt an implicit pragmatic contingency criterion when suggesting that ethical public organizations are characterized by a necessary orientation on order, authority, and rules. Sinclair (1993) also considers both an ethical criterion and organizational effectiveness, as does the Oracle report (2009). Hoffman (1998) proposes higher moral standards, while at the same time promoting a firm ethics/national culture fit. Dorasamy (2010) proposes to enhance morality while assuming a preferred morality for public service delivery. English (2008) demands for organizations high on ethics (more moral), but also hints implicitly to a pragmatic-contingency criterion when stating that police work demands that a strong climate for ethics exists within policing organizations. Finally, Waring (2004a; 2004b) advocates that an organization be high in ethics, while suggesting that fundamental corporate values should be roughly congruent across the organization, in order to fulfill its tasks appropriately.

Chapter 6: notes

[111] Though the distinction of morality and ethics is accepted widely among ethicists, it is not established in everyday language. Moreover, even acknowledged contributors to business ethics theory chose not to make this distinction, for instance, Treviño, Weaver, and Reynolds (2006, 980) who consider in their

article the terms 'ethical' and 'moral' to be synonymous and use them interchangeably.

[112] Doorewaard (1989, 2, 6) borrowed the concept of hegemony from the Marxist political philosopher Gramsci to apply it to organizational practices to indicate the obviousness with which people exert and undergo power without being aware of this form of influence. Hegemonic regulation is the more or less implicit way in which structure characteristics of an organization bring about and maintain a social practice of unequal possibilities of fostering meaning and interests.

[113] These trends are formulated in terms of their respective academic disciplines. From a more substantial perspective and in quit other terms, trend watchers either perceive or introduce new trends every once and a while, for instance, the seven megatrends distinguished by Van der Heijden and Bochhah (2006). They perceive the world as more digital, more borderless, more multiform, more uncertain, more responsible, more vital, and more entrepreneurial.

[114] Weggeman (2007, 263-272) distinguishes R-professionals, aiming at improvement of routines and I-professionals, aiming at renewal. R-profs try, based on experience and fixed procedures and algorithms, and therefore efficient and concentrated, to apply skills on a the highest possible levels, while striving at even more craftsmanship, expertise, and mastery through improvement of patterns of action (doing better tomorrow what went good today). I-profs try, based on information and attitude, while using creativity, flexibility, and talent for improvisation, producing new knowledge constantly to answer challenging questions while breaking through existing patterns (try new things tomorrow from a different point of view).

[115] Winston and Patterson (2006, 8) give an elaborated definition of leadership: "The leader throughout each leader-follower-audience interaction demonstrates his/her commitment to the values of (a) humility, (b) concern for others, (c) controlled discipline, (d) seeking what is right and good for the organization, (e) showing mercy in beliefs and actions with all people, (f) focusing on the purpose of the organization and on the well-being of the followers, and (g) creating and sustaining peace in the organization–not a lack of conflict but a place where peace grows. These values are the seven Beatitudes found in Matthew 5 and are the base of the virtuous theory of Servant Leadership".

[116] The issue of Machiavellianism was also addressed in other research, though not restricted to leadership. Singhapakdi (1993) examined the interaction of Machiavellianism of marketers and organizational ethical culture. He found that the ethical culture of an organization has a more positive effect on a high Machiavellian marketer's perception of an ethical problem than on a low Machiavellian marketer's perception of an ethical problem. Verbeke, Ouwerkerk and Peelen (1996) found that internal communication and the choice of a control system especially affect ethical decision-making. Internal communication was also found to affect the attraction of salespeople with unethical personality traits (Machiavellianism), while the control system was found to affect the ethical climate. They paid no special attention to unethical leadership. Ross and Robertson (2000) also investigated the role of Machiavellianism related to lying in organizations. Machiavellians are more willing to lie in the absence of ethical guidelines than non-Machiavellians. However, since Ross and Robertson used the concept of ethical climate in a rather oblique way, no specific relations were supposed to exist between Machiavellianism and moral climate type. Furthermore, they did not restrict Machiavellianism to leaders but to all employees. Nevertheless, they found that a stronger (that is, more ethical) climate was negatively related to Machiavellianism. The weaker the ethical climate, the more likely High Machiavellians are to act unethically. Indirectly, these findings confirm the notion that Machiavellian leaders have a negative impact on ethical climate (at least, from a moral point of view).

[117] For instance, job satisfaction can be measured when related to pay, promotions, co-workers, supervisors, and contents of work. In accordance with the work of Allen and Meyer (1990, 1996), organizational commitment is considered a multidimensional construct, consisting of three components. Affective commitment refers to employees' emotional attachment to, involvement in and identification with the organization. The employee enjoys being in the organization, remains in the organization because s/he wants it. In continuance commitment, employees make a calculation about the cost of leaving the organization. The employee remains because s/he needs to do it. In normative commitment, the employee feels an obligation to remain in the organization. This type of commitment is composed of internalized normative pressures to act in a way that fits with organizational goals and interests. In this case, individuals stay in the organization because they believe it is the "right" and "moral thing to do". Therefore, the employee remains in the organization because he/she ought to. In line with the description of the highly committed "organization man/woman" in chapter 4, too high levels of commitment may be detrimental to both individuals and organizations.

[118] Simple structures may suffer from the idiosyncrasies of the person of the founder or owner/manager, because of mixing up business and private interests (with inclination to fiddle within the triangle of financiers, own funds, and the taxes, "cooking the books"), lack of knowledge and imagination, the need for power, control, pride, identity, or applause, arbitrariness because of lack of formal rules and regulations, imposing own values, norms, life style upon employees, evoking submission agreement and silent resistance, and family matters concerning succession and competence. In machine bureaucracies, the contents of labor will be poor, as are labor conditions, leading to alienation among the workforce, calculating employee behavior, sabotage, absenteeism, lack of commitment, difficult position of middle management (including problems of loyalty), shirking one's responsibilities because of the abundance of rules and procedures, superficial decision-making because of long communication channels, information overdue or distorted. Professional bureaucracies suffer from issues of competence and discretion, creating professional islands and lack of cooperation with other disciplines, losing sight of the organization's goals and interests because of personal ambitions and preferences, uncritical adaptation to own routines and lack of innovation, up to "pigeon holing" and "skilled incompetence" (Weggeman, 207, 266), loss of quality due to either lack of control or standardization of output and work processes (strict protocols) undermining professional autonomy and authority. In adhocracies unethical behavior may occur because of unclear conditions concerning continuity, functions, responsibilities, and competences, lack of openness (not sharing information, hidden agenda's), informal contracts with clients (hole-and-corner arrangements), and internal competition in case of new projects. In a division structure, standardization of output may accentuation of measurable output lead to neglect of social implications of producing and organizing. The inherent tension between central ("headquarters") and local (divisions) may cause issues. The concentration of power at the strategic apex may evoke countermovements from divisions (withdrawal of information, fiddling with figures) and unwarranted differences between divisions where uniformity was expected. Finally, missionary and political organizations will be characterized by orthodoxy and pressure to conformity, indoctrination of newcomers, dissident groups splintering off, and the issue of assimilation versus isolation (as often is a dilemma of, for instance, HR departments with highly-strung visions and ambitions).

[119] The model of Robinson and Bennett is based on a two-dimensional configuration. On one axis is the target of the deviance, which is the organization-interpersonal dimension, ranging from deviance directed at members of the organization (interpersonal) to deviance directed towards the organization itself). The second dimension of the typology represented the severity of the workplace deviance, ranging from

minor to serious. This model identifies and specifies four types of deviant workplace behavior, including:
1. *Production Deviance*: worked on a personal matter instead of worked for your employer, taken an additional or longer break that is acceptable at your place of work, intentionally worked slower than you could have worked.
2. *Political Deviance*: showed favoritism for a fellow employee or subordinate employee, blamed someone else or let someone else take the blame for your mistake, repeated gossip about a co-worker.
3. *Property Deviance*: padded an expense account to get reimbursed for more money than you spent on business expenses, accepted a gift/favor in exchange for preferential treatment, taken property from work without permission.
4. *Personal Aggression*: cursed at someone at work, made an ethnic or sexually harassing remark or joke at work, made someone feel physically intimidated through either treats or carelessness at work.

[120] In would be an interesting line of research to relate the type of bullying (or better, mobbing) to moral climate types. Which type of moral climate goes together with which type of mobbing? In order to investigate these relations, a full description of types of bullying needs to be constructed, to cover all kinds of mobbing behaviors, including those that from the outside do not look like mobbing. Five broad categories can be distinguished (Zapf, 1999, 10-11) (see also, Einarsen, 1996; Leymann, 1990; 1996; Thomas, 1993; Walter, 1993), including:
1. *work related mobbing*: actions aiming at undermining the work efforts of the victim, such as being given unnecessary risky tasks, being ordered to do work below level of competence, denying information or knowledge necessary for undertaking work and achieving objectives, being given vague or contradictory instructions, not having a clear job description, or having one that is exceedingly long or vague, downright sabotage (deleting computer files, putting equipment out of order, hiding tools, destroying someone's work output), having work excessively monitored, trivial fault-finding, experiencing persistent criticism of work, effort, or results, being exposed to an unmanageable workload, being given tasks with unreasonable or impossible targets or deadlines, denying support by your manager and thus find yourself working in a management vacuum, giving time-consuming last moment tasks immediately prior to the weekend, holidays, or Christmas, when on leave making you come back to the workplace for something trivial, having key areas of responsibility removed or replaced with more trivial or unpleasant tasks, having your work plagiarized, stolen or copied, while the bully then presents your work as his own to carry off the palm, threatening with dismissal or other sanctions for trivial reasons;
2. *social isolation and exclusion*: actions that render the 'communication' with the 'black sheep' absurd or make the person pine away, such as being subjected to excessive teasing, practical jokes, and sarcasm carried out by people you don't get along with, being repeatedly reminded of errors or mistakes, being ignored, excluded, side-lined, turned down, or isolated from others systematically, are given the 'silent treatment' when bullies refuse to communicate and avoid eye contact, having your opinions and views ignored, receiving hints or signals from others that you should quit job, facing unjustified disciplinary action on trivial or specious or false charges, facing dismissal on fabricated charges or flimsy excuses, often using a trivial incident from long ago, being pressured into not claiming something which you by right are entitled to (sick leave, vacation, Christmas hamper, travel facilities, compassionate leave), having false allegations made against you, being the subject of written trivial, often bizarre complaints by co-workers, singled out and treated differently (the only one being punished for being late);
3. *personal attacks on someone's private situation*: actions that occur among bullies but refer to the victim, such as having gossip, slander, and rumors spread around you or your intimates and family, having made insulting or offensive remarks about you in public (attitudes of your private life, background, looks, dressing, physical peculiarities), making ridiculous someone's partner, family, place of birth, community of faith, or favorite artist;
4. *verbal threats*, such as being nicknamed, or being regularly the target of offensive language or

inappropriate bad language, threatened, shouted at, made ridiculous, and humiliated, especially in front of others, sending 'funny' or intimidating e-mails, being shouted at or targeted with spontaneous anger or rage;
5. *physical assaults or the threat of physical violence,* such as being intimated with threatening behavior (finger-pointing, invasion of personal space, shoving, blocking/barring the way, locking up), being the target of unwanted sexual behavior, hurting someone physically, deliberately knocking over someone's coffee of tea, slamming the door in someone's face, putting someone in a draught over and over again.

[121] In a paranoid organization, there is no trust among employees and their superiors (Kets de Vries, 1980; 1991; 1995; 2001; Kets de Vries & Miller, 1984; 1987). The moral import of trust is that other people have no intentions to do harm and to not abuse their power over others. Mutual trust appears in a fixed order: inspire confidence, enjoy confidence, and confirm confidence. There will be mutual distrust when expectations people hold are negative because of the assumption of possible harm. In fact, the capacity to distrust can even be useful, since someone can cause sorrow when you do not have the capacity to be suspicious of that person's intentions. Here, there is an immanent asymmetry, because someone who is capable to trust will usually also be able to distrust, whereas the reverse is not true: a person being distrustful will not or hardly be capable to trust because of earlier disappointment. In a manner of speaking, trust arrives walking and leaves on horseback.
Someone who is suspicious will be guided by negative expectations considering the intentions of other people, and thus ends up in a negative spiral. Someone being distrustful needs ever more information about the intentions of others, trust more and more on a smaller part of the information en thus becomes more and more dependent of information that probably cannot be trusted. Therefore, this person starts to show features of the paranoid personality: relations with other people are characterized by fierce covert or overt distrust to such a degree that this becomes a part of the personality. The paranoid person is permanently on the lookout for threatening signals and is not able to deal with criticism constructively, despite the hypersensitivity to the opinion of others. Hence, paranoid people do have little sense of humor, and probably in organizations with a climate for punishment, there will be little laughing matter. Paranoid maneuvers have a curious self-fulfilling prophecy element feature that may remain unnoticed. When someone has a suspicious mind and treats a sufficient amount of other people distrustful, they will indeed start to think in negative terms about this person. Thus, paranoid ideas get a basis in reality, with all its negative consequences, especially in an organization in which distrust reigns supreme. For instance, loyalty among subordinates can be displeasing to a manager functioning moderately. This manager may interpret this loyalty as a subverting conspiracy and try to sow discord. Those subordinates already having some caution concerning this manager will come to see this caution conformed and eventually conspire against this manager. On his turn, the manager sees his misgivings come true.

[122] In the recent version, the diagnosis is based on seven criteria, including
1. A history of subjection to totalitarian control over a prolonged period (months to years). Examples include hostages, prisoners of war, concentration-camp survivors, and survivors of some religious cults. Examples also include those subjected to totalitarian systems in sexual and domestic life, including survivors of domestic battering, childhood physical or sexual abuse, and organized sexual exploitation.
2. Alterations in affect regulation, including persistent dysphoria, chronic suicidal preoccupation, self-injury, explosive or extremely inhibited anger (may alternate), compulsive or extremely inhibited sexuality (may alternate).
3. Alterations in consequences, including amnesia or hyperamnesia for traumatic events, transient dissociative episodes, depersonalization /derealization, reliving experiences, either in the form of

intrusive post-traumatic stress disorder systems or in the form of ruminative preoccupation.
4. Alterations in self-perception, including sense of helplessness or paralysis of initiative, shame, guilt, and self-blame, sense of defilement or stigma, sense of compete difference from others (may include sense of specialness, utter aloneness, belief no other person can understand, or nonhuman identity).
5. Alterations in perception of perpetrator, including preoccupation with relationship with perpetrator (includes preoccupation with revenge), unrealistic attribution of total power to perpetrator (caution: the victim's assessment of power realities may be more realistic than the clinician's are), idealization or paradoxical gratitude, sense of special or supernatural relationship, acceptance of belief system or rationalizations of perpetrator.
6. Alterations in relations with others, including isolation and withdrawal, disruption in intimate relationships, repeated search for rescuer (may alternate with isolation and withdrawal), persistent distrust, repeated failures of self-protection.
7. Alterations in systems of meaning, including loss of sustaining faith, sense of hopelessness and despair.

[123] Initially, the plan was to include some more illustrative vignettes in this chapter, including the vignettes "Sunset Glow" and "Streekziekenhuis Koningin Amalia". The first of these vignettes took place in a psycho geriatric ward of a mental hospital and offers a nice insight in its moral climate and how it both was maintained and changed through everyday conversation (Bennink, 1980a; 1980b; 1980c). The second vignette, though detailed, was not included for lacking precise information about everyday discourse on patient care. Therefore, also because of limited space, only one vignette was chosen, "The Crowned Everyman" for being the most informative, instructive, and comprehensive case.
Besides, experiences of students with versions of the *Moral Climate Questionnaire* (MCQ) are included in this section. In one project, students examined the moral climate of an iron foundry in order to decide whether CSR activities match the present moral climate and whether additional intervention concerning the moral climate was necessary. In another project, students examined the moral climate of an entire branch, the cleaning service industry by asking six representative informants of a branch organization to give their impression of the moral climate of the associated firms in order to determine conditions for implementing elements of CSR.

[124] According to Scott (1990, 18), the public transcript is the self-portrait of the dominant elites as they would have themselves seen. It is perpetuated in, for instance, the public documents (mission statements, New Year's speech, handbooks, policies) that an organization creates to explain itself, and hence, fixes the parameters of exchanges between the powerful and the powerless (Anderson & Herr, 1999, 18). Scott (1990, 4-5) uses the term hidden transcript to characterize discourse that takes place off-stage, beyond direct observation by powerholders. Hidden transcripts are thus derivative in the sense that they consist of those offstage speeches, gestures, and practices that confirm, contradict, or inflect what appears in the public transcript. Hidden transcripts are produced for a different audience, and need not necessarily be true, just as public transcripts need not necessarily be false or misleading pep talk. The powerful may have their own hidden transcripts for offstage occasions. For this reason, it is not appropriate to equate hidden transcripts with what Van Es (2009, 77-81) calls the 'undercurrent' of organizing, and public transcripts with the 'uppercurrent'. It is true, that the uppercurrent is directed by (top)management, using wordings such as return of investment, balanced scorecard, mission statements, quality control, and corporate social responsibility. However, contrary to what Van Es claims, the undercurrent needs not necessarily be irrational, emotional, and associative, but can be rational, and even subversive as well. Even in the upper levels of organizations, hidden transcripts may occur.

[125] Plot relates to the relationships between antecedents, intentions and outcomes, obstacles, mediations,

and context, concerning the behavior of protagonists, organized in a narrative structure (Boje, 2001, 108). A theme is a common thread or recurrent idea that is incorporated throughout the conversations represented.

[126] This does not mean that an emic approach should be discarded as useless. As was discussed in chapter 2, both approaches have their merits and can be considered as complementary. For instance, in moral climate research, an emic approach could be used in the phase of hypothesis generation. The point is, that in order to validate an existing moral climate typology, an etic approach is inevitable. It should be recognized and be point of attention, that research subjects will not experience their organization in terms of an inclusion climate or a community climate. However, this nothing more or less than a manifestation of the broader issue of the bilingualism of the research (speaking both the language of science and the everyday language of research subjects).

[127] Following the approach of Sackmann (1992, 141-142), the nine conversations could be examined for the kind of knowledge that is exposed by the conversation partners. Similar to Sackmann's research, the relative presence of four types of moral knowledge (as a subclass of cultural knowledge) can be determined: dictionary, directory, recipe knowledge, and axiomatic moral knowledge. Together they form a cognitive moral map that may be different across departments and functional domains.

1. *Dictionary* knowledge consists of commonly held descriptions, including labels and sets of words or definitions that are used in a particular organization (of within a functional domain). It refers to the "what" of situations, their content, such as what is considered (not) a problem in that organization. Within the packing department, other issues will emerge when compared to the bakery.
2. *Directory* knowledge refers to commonly held every day practices: knowledge about chains of events and about their cause-and-effect relationships. Directory knowledge delineates the "how" of things and events, their processes, such as how a specific problem is solved in a given organization. Some of the conversations reveal directory knowledge among the workers of the packing department.
3. *Recipe* knowledge, based on judgments, refers to prescriptions for repair and improvement strategies. It expresses "shoulds" and recommends certain actions, how a particular problem should be solved or what a person should do to be promoted. Recipe knowledge contains prescriptive recipes for survival and success.
4. *Axiomatic* knowledge refers to reasons and explanations of the final causes perceived to underlie events. It represents premises that are equivalent to axioms in mathematics in that they are set a priori and cannot be further reduced. Axiomatic knowledge is about the "why" things and events happen and why problems do (not) emerge.

[128] A similar version was used to determine the moral climate of an entire branch, the cleaning industry, in both cases to determine the conditions for successful implementation of elements of CSR). In this research project, no respondents were questioned through questionnaires or interviews. Instead, six key figures, well acquainted with the branch and its member organizations, were used as informants in in-depth interviews.

[129] In his (historical) sociography of the Dutch city of Enschede, Blonk (1929) used a variety of variables including geographical location, soil conditions, climate, groundwater, topography, roads, waterways, railway connections, history, industrial development, governmental and local regulations, composition of population, patters of migration (both immigration and emigration), religious denomination, regional character, tolerance, pride and love for the town, origin, wealth, character, opinions, and fellowship of entrepreneurs, type and level of education of workers, labor conditions (in terms of time, intensity, wages, and satisfaction), women's labor, child labor, workers' health, family life, housing, and wealth, customs and virtuousness, alcohol (ab)use, cultural development, leisure activities, sense of classes, relationships among classes (manufacturers and workers), unionization of workers.

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Nederlandse samenvatting

Een van de thema's in de bedrijfsethiek is de vraag naar het greep krijgen op de morele aspecten van organisaties en organiseren. Dit is niet alleen van belang voor beter theoretisch begrip van organisaties. Het biedt ook handvatten om te begrijpen waardoor fusies, overnames, organisatieverandering, HR-beleid en innovatie- of kwaliteitszorgprogramma's niet het effect hebben dat redelijkerwijs mag worden verwacht.
Een eerste vraag was of theorieën over organisatiecultuur niet in deze behoefte kunnen voorzien. Een oriënterend onderzoek liet echter zien dat in deze theorieën doorgaans de ethische inslag van de betreffende cultuurtheorie weinig wordt uitgewerkt, zo dat al gebeurde. Wel wordt in een stroom van publicaties het antwoord gezocht in het conceptualiseren en onderzoeken van het moreel klimaat van organisaties. Een dominante richting daarin is de ethisch klimaattypologie van Victor en Cullen, blijkens een reeks onderzoeken waarin gebruik gemaakt wordt van hun Ethical Climate Questionnaire. Er zijn echter ook andere richtingen waarin een of ander moreel klimaat concept wordt gebruikt. De typologie van Victor en Cullen blijkt zowel in conceptueel opzicht te wensen over te laten als in empirisch opzicht tot discutabele uitkomsten te leiden.
Om tot een beter model te komen, zijn twee sporen uitgezet, een conceptueel spoor en een meta-analytisch spoor. Het conceptuele spoor omvat de analyse van de concepten 'moreel' en 'klimaat'. In het meta-analytische spoor werden, op basis van de methode van grondslagenonderzoek, circa driehonderd publicaties over moreel klimaat (en verwante begrippen) onderzocht en bediscussieerd wat betreft hun grondslagen. Deze bespreking vond plaats in termen van een format met vijf issues: conceptuele, typologische, empirische, evaluatieve en interventiegerichte. In afwijking van ander grondslagenonderzoek werden hier geen verhitte debatten aangetroffen tussen de diverse richtingen die zich lijken uit te kristalliseren. Wel viel op dat vrijwel alle auteurs op de een of andere manier schatplichtig zijn aan de theorie van de ontwikkeling van cognitieve morele oordeelsstructuren van Kohlberg, met als tendens, zich daar in toenemende mate in verwaterende zin vanaf te bewegen. In voorkomende gevallen leidde dat ook tot een verwarring van descriptief en evaluatief gebruik van de term moreel klimaat. Dit zou mede veroorzaakt kunnen zijn door onvoldoende inzicht van de betreffende auteurs in ethiektheorie (zoals naar voren kwam in een deelonderzoek).
Ook bleek in de literatuur een groeiend ongemak te ontstaan met de typologie en de vragenlijst van Victor en Cullen. Verder viel op dat er impliciet grondslagendebat bestaat wat betreft de ontologische status van klimaat, tussen de "perceptions approach" en de "attribute approach", een debat dat vooral in jaren zeventig van de vorige eeuw plaatsvond.
De dissertatie heeft de volgende opzet. In hoofdstuk 1 wordt de aanleiding tot het onderzoek verwoord en worden achtergronden, uitgangspunten, plaatsbepaling en relevantie aangeduid. Er wordt een vijf-issue format aangeduid, leidend tot zowel propositionele claims als onderzoeksvragen geformuleerd. In hoofdstuk 2 wordt vooral de methodiek van grondslagenonderzoek beschreven en worden criteria geformuleerd ter beoordeling van moreel klimaattheorieën in termen van grondslagenkritiek. De hoofdstukken 3 en 4 bevatten de beide elementen van het conceptuele spoor. In hoofdstuk 3 wordt het concept klimaat onderzocht en wordt gekozen voor een "attribute approach". In hoofdstuk 4 wordt het morele verkend door

een kritische beschrijving en amendering van de theorie van Kohlberg over de ontwikkeling van morele oordeelsstructuren. Op basis daarvan wordt een typologie van morele klimaten voorgesteld: 1. strafklimaat, 2. ruilklimaat, 3. inclusieklimaat, 3/4 company klimaat, 4. community klimaat, 5. sociaal contractklimaat, 6. universalistisch klimaat en 7. spiritueel klimaat. Daarvan kunnen "thin descriptions" (zoals aangeduid door Geertz) gemaakt worden, maar ook "thick descriptions", door gebruik te maken van inzichten uit zulke uiteenlopende hulptheorieën over omgevingstyperingen, organisatiestrategieën, organisatiestructuren, arbeidssatisfactie, betrokkenheid, leervermogen, vertrouwen, vormen van onethisch gedrag, en, niet onbelangrijk, leiderschap. Wat betreft de evaluatie van moreel klimaat wordt de spanning onderzocht tussen moreel ontwikkelingscriterium en een pragmatisch adequaatheidscriterium. Ook worden de contouren van een interventietheorie aangereikt.

Hoofdstuk 5 bevat de resultaten van het grondslagenonderzoek: een overzicht van het terrein, geordend in zeven secties, en een uitwerking in termen van de vijf issues zoals aangegeven. Daarbij viel op dat het leeuwendeel van het onderzoek betrekking had op de rechterhelft van onderzoekmodel: consequenties van een moreel klimaat (circa 90%) en maar relatief weinig onderzoek de antecedenten van een moreel klimaat onderzocht, de linkerhelft van het model Wel was er ruime aandacht voor de rol van leiderschap.

Hoofdstuk 6 behandelt 'the state of the art', een overzicht van standen van zaken en bewegingen. Het grotere deel van dit hoofdstuk bestaat uit de beschrijving van het eigen, Kolhbergiaanse moreel klimaatmodel, en een 'thick description' van elk moreel klimaattype, in termen van een groot aantal hypothesen betreffende samenhangen tussen antecedenten en consequenties van het betreffende moreel klimaat type. Ter illustratie van dit model is een uitgebreid vignet opgenomen, "The Crowned Everyman" , waarin niet alleen gedemonstreerd hoe een vruchtbare moreel klimaattheorie kan werken, maar ook dat op basis van het principe van triangulatie niet alleen een surveybenadering tot inzicht leidt, maar ook en juist een benadering die uitgaat van participerende observatie en discoursanalyse.

De winst van deze moreel klimaattheorie kan zowel op theoretisch als op praktisch niveau aangeduid worden. Op theoretisch niveau kan onderzoek leiden tot beter begrip van morele kwaliteiten van organisaties (en helaas, het gebrek daaraan), op zich, vergelijkenderwijs en per sector. Op praktisch niveau kan het leiden tot ondersteuning van trajecten van verandering in organisaties in brede zin, zodanig, dat de voorgestane verandering wordt afgestemd op het bestaande moreel klimaat, dan wel wordt opgetuigd met een neventraject ter verbetering van het moreel klimaat, waarvoor een instrumentarium op hoofdlijnen is aangereikt.
Tenslotte laat het onderzoek als zodanig zien, dat de bedrijfsethiek als discipline niet is gediend met oppervlakkige theorievorming, ondoordacht gehanteerde concepten, slecht geconstrueerde typologieën, gebrekkige vragenlijsten en niet-geëxpliciteerde waarderingscriteria, en (dus) niet van onvoldoende onderbouwde suggesties voor verbetering van de moraliteit van organisaties.

About the author

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Selected publications and conference papers:

- Deeltijdonderwijs aan volwassen studenten. Problemen en perspectieven. *Ontwerp. Tijdschrift voor volwasseneneducatie.* 1990, 1, 5, 35-49.
- Het innerlijk universum van de professional. Over het ontwikkelen van een 'interne supervisor' als supervisiedoel. *Supervisie in opleiding en beroep* 1994 11, 3, 3-21.
- Code of Ethics for Supervisors? In: *Participating in Change - Social Work Profession in Social Development, Proceedings of the Joint World Congress of the International Federation of Social Workers and The International Association of Schools of Social Work*. Hong Kong, 1996, 56-58.
- Trabajo Social En Los Paises Bajos: Origenes E Influencias. In: N. T. Peón (comp.) (1997), *Historia del Trabajo Social en Varios Paises del Mundo* (193-213). México D.F, UNAM.
- Coaching als vorm van professioneel begeleiden. *Supervisie in opleiding en beroep* 1999, 16, 3, 3-19.
- Coaching van werkteams. *Werken, leren en leven met groepen* 2001, C3220 1-38.
- Traditie en vernieuwing van het Nederlandse supervisieconcept. *Supervisie in opleiding en beroep* 2001, 18, 4, 182-199.
- Professionele begeleiding in een vloeibare samenleving. Over betekenis en implicaties van Zygmunt Baumans maatschappijmetaforiek. *Supervisie & Coaching* 2004, 21, 4, 170-184.
- Tussen de bijeenkomsten in. Over nut, inhoud en formulering van huiswerkopdrachten. *Supervisie & Coaching* 2006, 23, 4, 188-214.
- Therapeutische momenten in supervisie en coaching. *Supervisie en Coaching* 2008a, 25, 1, 3-33.
- Op weg naar professioneel meesterschap. Een stadiummodel voor de ontwikkeling van professionals. *Supervisie & Coaching* 2008b, 25, 3, 151-177.
- De kleur van supervisie. *Supervisie & Coaching* 2011, 28, 4, 167-188.

- *Hazards of Developing Organisational Morality*. Paper presented at the Reason in Practice Conference, Oxford, 2002.
- *The Internal Universe of the Manager*. Paper presented at the Second Philosophy of Management Conference, Oxford, July 2004.
- *The Psychological and Moral Vulnerability of the Manager*. Paper presented at the Third Philosophy of Management Conference, Oxford, July 2005.
- *Carceral Regimes. A Kohlbergian Account of the 'Ugly Face' of Organisations*. Paper presented at the Fourth Philosophy of Management Conference, Oxford, July 2007.
- *Stages of Reflective Competence and Management Development. A Critical Appraisal of the Reflective Judgment Model of King and Kitchener*. Paper presented at the Fifth Philosophy of Management Conference, Oxford, July 2008.
- *Moral Capital. Bourdieu's Theory of Practice and Moral Climate Theory*. Paper accepted for the Eighth Philosophy of Management Conference, Oxford, July 2012.

APPENDIX 1 Scoring of contributions to moral climate theory

This appendix presents a surface description of about three hundred contributions to moral climate theory by listing characteristics of contributions and their authors:

- reference (authors + year of publication)
- code (abbreviation for convenience use)
- section (arranging into categories)
- year of publication
- source (monograph, chapter in either monograph or reader, journal article, dissertation, either published or unpublished, conference paper, report) (for journal articles see list of abbreviations below)
- type of contribution (conceptual, empirical, instrument evaluation, review, handbook: c, e, i, r, h)
- industry in which research is carried out
- country in which research is carried out
- author background

The initial idea to include an indication of the research rigor (Filley & House, 1969, 41-49) of the contribution has been dropped since nearly all of the empirical contributions fall into the same category. In other words, research rigor is not a distinguishing characteristic. Furthermore, the point system favors quantitative research while denying that qualitative case studies may show considerable scientific rigor (though these were largely underrepresented in the present study). If one wishes to determine the level of research rigor, the point system of Filley and House (adapted by Hellriegel & Slocum, 1974, 258) can be used:

(a) authoritative opinion, one point
(b) case study, two points
(c) normative history, three points
d) polling survey, six points
(e) analytical survey without an experimental variable, seven points
(f) longitudinal study in which the variables are not within the control of the researcher, eight points
(g) experimental study in which the variables, once-introduced, are not within the control of the researcher, nine points
(h) laboratory experimentation, twelve points
(i) controlled field experimentation, thirteen points.

In some instances, the assigned points need to be interpreted with caution since two studies with the same point rating might differ substantially in terms of the care an sophistication with which the particular research was carried out.

Abbreviation of journals (in alphabetical order) (* indicates Annual; numbers indicate hits):

AJBM	African Journal of Business Management (1)
AELJ	Academy of Educational Leadership Journal (1)
AMJ	Academy of Management Journal (2)
AMR	Academy of Management Review (2)
AAAJ	Accounting, Auditing & Accountability Journal (2)
AOS	Accounting, Organizations and Society (1)
AS	Administration and Society (1)
ASQ	Administrative Science Quarterly (1)
BEQ	Business Ethics Quarterly (4)
BS	Business and Society (1)
CACM	Communications of the ACM (1)
CCM	Critical Care Management (1)
CMR	California Management Review (1)
CG	Corporate Governance (1)
CH	Chart (1)
CMCR	Crime and Misconduct Commission Research & Issues Paper (1)
COM	Comenius (1)
CSJ	College Student Journal (1)
DMS	Development in Marketing Science (1)
FP	Financial Planning (1)
GBR	Graziadio Business Report (1)
HCMR	Health Care Management Review (1)
HCS	Health Care Supervisor (1)
HE	Healthcare Executive (1)
HECF	H E C Forum (1)
HR	Human Relations (2)
HRMR	Human Resource Management Review (1)
IA	Internal Auditor (2)
IABSP	International Association of Business and Society Proceedings (1)
IBERJ	International Business & Economics Research Journal (1)
IE	Inside Edge (1)
IJBD	International Journal of Behaviour Development (1)
IJCM	International Journal of Conflict Management (1)
IJLE	International Journal of Leadership in Education (1)
IJMR	International Journal of Management Reviews (1)
IJNS	Image: Journal of Nursing Scholarship (1)
IJNVSM	International Journal of Nonprofit and Voluntary Sector Marketing (1)
IMM	Industrial Marketing Management (1)
INR	International Nursing Review (1)
IRBSP	International Review of Business Research Papers (1)
ISJ	International Sports Journal (1)
JAMS	Journal of the Academy of Marketing Science (4)
JAD	Journal of Adult Development (1)
JAL	Journal of Academic Librarianship (1)
JANAM	Journal of Australian and New Zealand Academy of Management (1)
JAP	Journal of Applied Psychology (2)
JBER	Journal of Business and Economics Research (1)
JBE	Journal of Business Ethics (86)
JBEP	Journal of Business and Entrepreneurship (1)
JBP	Journal of Business and Psychology (1)
JBR	Journal of Business Research (2)
JBSGE	Journal of Business Systems, Governance and Ethics (1)
JCE	Journal of Clinical Ethics (1)

JCSR	Journal of College Student Retention: Research, Theory and Practice (1)
JDE	Journal of Dental Education (1)
JEA	Journal of Educational Administration (2)
JGSM	Journal of Global Strategic Management (1)
JJCE	Journal for a Just and Caring Education (1)
JMD	Journal of Management Development (4)
JMM	Journal of Marketing Management (1)
JME	Journal of Moral Education (4)
JMEHM	Journal of Medical Ethics and History of Medicine (1)
JNS	Journal of Nursing Scholarship (1)
JOB	Journal of Organizational Behavior (2)
JONA	JONA's Health Law Ethics and Regulation (2)
JPART	Journal of Public Administration Research and Theory (1)
JPSSM	Journal of Personal Selling & Sales Management (8)
JQP	Journal for Quality and Participation (1)
JSE	Journal of Socio-Economics (1)
JSM	Journal of Sport Management (1)
JSMA	Journal of Services Marketing (1)
JSR	Journal of Service Research (1)
JTR	Journal of Travel Research (1)
JBSMR	Lagos Business School Management Review (1)
LQ	Leadership Quarterly (2)
MC	Medical Care (2)
MIR	Management International Review (1)
MRN	Management Research News (1)
NAQ	Nursing Administration Quarterly (1)
NDCD*	New Directions in Child Development (1)
NDSS	New Directions for Student Services (1)
NE	Nursing Ethics (4)
NML	Nonprofit Management & Leadership (1)
OD	Organizational Dynamics (2)
OBHDP	Organizational Behavior and Human Decision Processes (1)
OSC	Organization Science (2)
OST	Organization Studies (2)
PJ	Prison Journal (1)
PMR	Public Management Review (1)
PP	Personnel Psychology (2)
PR	Psychological Reports (2)
RAE	Revista de Administração de Empresas (2)
RHE	Research in Higher Education (1)
RM	Research in Marketing (1)
RSIM*	Research in Social Issues in Management (1)
ROCD *	Research in Organizational Change and Development (1)
RPREA*	Research on Professional Responsibility and Ethics in Accounting (1)
RPPA	Review of Public Personnel Administration (1)
SCJ	School Community Journal (4)
SAJBM	South African Journal of Business Management (1)
SAM	SAM Advanced Management Journal (1)
SCS	State, Culture and Society (1)
SF	Strategic Finance (1)
SJR	Social Justice Research (1)
SMR	Sloan Management Review (1)
SSM	Social Science & Medicine (1)
TBE	Teaching Business Ethics (1)
WWP	Watson Wyatt Perspective (1)

reference	code	section	concept	year	source	type	industry	country	author background
Acharya 2005	AC05	4	ethical climate	2005	JDE	e	dentistry education	India	dentistry
Agarwal & Malloy 1999	AM99	4	ethical work climate	1999	JBE	e	sports	Canada	sport, health and applied ethics(M) marketing(A)
Ambrose, Arnaud & Schminke 2007	AAS07	4	ethical climate	2007	JBE	e	various unspecified	USA	management
Ampofo, Mujtaba, Cavico & Tindall 2004	AMC04	5.2	organizational ethical culture	2004	JBER	e	insurance industry	USA	accountancy 1; 4 HR/management 2 law/ ethics 3
Ampofo 2005	AM05	5.2	organizational ethical culture	2005	unpublished dissertation	e	insurance industry	USA	accountancy
Andreoli & Lefkowitz 2008	AL08	7	ethical climate	2008	JBE	e	students	USA	industrial psychology
Appelbaum, Deguire & Lay 2005	ADL05	4	ethical climate	2005	CG	c	---	USA	management
Aquino 1998	AQ98	7	ethical climate	1998	IJCM	e	simulation	USA	management
Ardichvili, Mitchell & Jondle 2008	AMJ08	7	ethical business culture	2008	JBE	e	various	USA	HR ethics
Armstrong, Kusama & Sweeny 1999	AKS99	4	ethical climate	1999	paper not published	e	unknown	USA	unknown
Armstrong & Francis 2008	AF08	4	ethical climate	2008	JBSGE	c	---	USA	management
Arnaud 2006	AR06	4	ethical work climate	2006	unpublished dissertation	e	unknown	USA	management
Arnaud & Schminke 2006	AS06	4	ethical climate	2006	report	e/i	unspecified firms including product and service oriented; for-profit and not-for profit	USA	management

reference	code	section	concept	year	source	type	industry	country	author background
Arnaud & Schminke 2007	AS07	4	ethical work climate	2007	book chapter (r)	r	---	USA	management
Arruda & Navran 2000	AN00	6.4	clima ético (ethical climate)	2000	RAE	e	various	Brazil	business & management (A) ; ethics (N)
Babin, Boles & Robin 2000	BBR00	6.3	ethical work climate	2000	JAMS	e	marketing	USA	marketing (B/B) business ethics (R)
Bahcecik & Oztürk 2003	BO03	6.5	hospital ethical climate	2003	JONA	e	health care	Turkey	nursing
Banning 1997	BAN97	7	ethical climate	1997	NDSS	i	education	USA	education
Barnett & Schubert 2002	BS02	4	ethical work climate	2002	JBE	e	department stores	USA	management
Barnett & Vaicys 2000	BV00	4	ethical work climate	2000	JBE	e	marketing	USA	management
Bartels, Harrick, Martell & Strickland 1998	BH98	4	ethical climate	1998	JBE	e	various unspecified	USA	HRM management
Bassett 2009	BAS09	7	ethical culture	2009	IE	c	unspecified	Canada	governance and sustainable enterprise
Bell 2003	BE03	7	ethical climate	2003	NAQ	e	health care	USA	nursing
Beu & Buckley 2004	BB04	7	ethical climate	2004	HRMR	c	---	USA	management
Bline, Cullinan & Farrar 2008	BCF08	4	ethical climate	2008	RPREA	e	accountants in telephone comp & CPA firms	USA	unknown
Bourne & Snead 1999	BS99	4	organizational ethical climate	1999	JBE	e	various unspecified	USA	business
Brief, Dukerich, Brown & Brett 1996	BDB96	7	ethical climate	1996	JBE	e	various unspecified	USA	business management accountancy,
Brower & Shrader 2000	BS00	4	ethical climate	2000	JBE	e	various unspecified	USA	management

reference	code	section	concept	year	source	type	industry	country	author background
Brown & Treviño 2006	BT06	5.1	ethical climate	2006	LQ	r	---	USA	management ethics
Brugman 1994	BR94	1	moreel klimaat (moral climate)	1994	book chapter (r)	c/e	education	NL	developmental psychology
Brugman, Høst et al 1994	BH94	1	moreel klimaat (moral climate)	1994	COM	c/e	education	NL	developmental psychology education
Brugman et al 2003	BHB03	1	moral atmosphere	2003	IJBD	c/e	education	Russia	developmental psychology education
Buchan 2005	BU05	4	ethical climate	2005	JBE	e	accounting	USA	accounting
Bulutlar & Oz 2008	BO08	4	ethical climate	2008	JBE	c	*various unspecified*	Turkey	unknown
Caldwell & Moberg 2007	CM07	7	ethical culture	2007	JBE	e	simulation	USA	business (C) management/ethics (M)
Carroll 1993	CA93	7	moral climate	1993	book chapter (m)	h	---	USA	business ethics
Chen, Sawyers & Williams 1997	CSW97	7	cooperative corporate culture	1997	JBE	c	---	USA	accounting
Cockerell & Armstrong 1999	CA99	4	ethical climate	1999	conference paper	e	ICT	Australia	unknown
Cohen 1993	CH93	6.2	ethical work climate	1993	BEQ	c	---	USA	business administration
Cohen 1995	CH95	6.2	ethical work climate	1995	JSE	c	---	USA	business administration
Cohen 1998	CH98	6.2	moral climate	1998	JBE	c	---	USA	business administration
Collier 1998	CL98	7	ethical organization	1998	BEQ	c	---	UK	business ethics
Colquitt, Noe & Jackson 2002	CNJ02	6.6	procedural justice climate	2002	PP	e	automobile parts manufacturer	USA	management HRM

reference	code	section	concept	year	source	type	industry	country	author background
Conine & Rowden 2006	CR06	4	ethical climate	2006	JBEP	e	various small businesses	USA	HRD OD
Corley, Minick, Elswick & Jacobs 2005	CM05	7	ethical work environment	2005	NE	e	health care	USA	nursing
Cullen, Parboteeah & Victor 2003	CPV03	4	ethical climate	2003	JBE	e	telephone company accounting	USA	management, moral leadership ethics
Cullen, Victor & Bronson 1993	CVB93	4	ethical climate	1993	PR	i	accounting	USA	management, moral leadership ethics
Cullen, Victor & Stephens 1989	CVS89	4	ethical climate	1989	OD	c	---	USA	management, moral leadership ethics
DeConinck & Lewis 1997	DCL97	4	ethical climate	1997	JBE	e	various unspecified	USA	marketing
Dempster, Freakley & Parry 2001	DFP97	7	ethical climate	2001	IJLE	e	education	Australia	education
Deshpande 1996a	D96a	4	ethical climate	1996	JBE	e	non-profit charitable organization	USA	management HRM
Deshpande 1996b	D96b	4	ethical climate	1996	JBE	e	non-profit charitable organization	USA	management HRM
Deshpande, George & Joseph 2000	DGJ00	4	ethical climate	2000	JBE	e	scientific research education	Russia	management HRM
Deshpande & Joseph 2008	DJ08	4	ethical climate	2008	JBE	e	health care	USA	management HRM
Deshpande, Joseph & Shu 2010	DJS10	4	ethical climate	2010	JBE	e	various	China	management HRM
Dickson, Smith, Grojean & Ehrhart 2001	DS01	4	ethical climate regarding ethics	2001	LQ	c	---	USA	psychology organizational behavior
Dorosamy 2010	DOR10	7	ethical culture	2010	AJBM	e	public service	South Africa	unknown
Dorsch, Swanson & Kelley 1998	DSK98	4	ethical profile	1998	JAMS	e	sales force	USA	marketing

reference	code	section	concept	year	source	type	industry	country	author background
Douglas, Davison & Schwartz 2001	DDS01	7	organizational ethical culture	2001	JBE	e	accountancy	USA	accountancy
Drumm 2000	DRU00	7	ethical climate	2000	research report	e	fire department	USA	management
Duh & Belak 2009	DB09	4	ethical climate	2009	conference paper	e	unspecified family versus non-family enterprises	Slovenia	business administration
Duh, Belak & Milfelner 2010	DBM10	4	ethical climate	2010	JBE	e	unspecified family versus non-family enterprises	Slovenia	business administration
Dursun 2004	DU04	4	ethical climate	2004	report	e	army	Canada	HR
Ede & Legosz 2002	EL02	7	ethical climate	2002	CMCR	e	police	Australia	crime and misconduct commission
Ehrhart 2004	EH04	6.6	procedural justice climate	2004	PP	e	retail grocery store chain	USA	psychology
Elçi & Alpkan 2008	EA08	4	organizational ethical climate	2008	JBE	e	telecom-unification	Turkey	business administration
Elm 1989	EL89	4	ethical climate	1989	unpublished dissertation	e	unknown	USA	management
Elm & Nichols 1993	EN93	4	ethical climate	1993	JBE	e	machines chemicals instruments	USA	management
Ells, Downie & Kenny 2002	EDK02	7	ethical climate	2002	JCE	e	health care	Canada	bioethics health care
Engelbrecht, van Aswegen & Theron2005	EAT05	4	ethical climate	2005	SAJBM	e	various (banks, retailers)	South Africa	industrial psychology
English 2008	ENG08	7	climate for ethics	2008	JMD	e	police	Australia	professional studies
Erakovich, Bruce & Wyman 2002	EBW02	4	ethical work climate	2002	conference paper	e	public organization	USA	management

reference	code	section	concept	year	source	type	industry	country	author background
Erben & Güneşer 2007	EG07	4	climate regarding ethics	2007	JBE	e	various (banking, education)	Turkey	HRM
Erondu, Sharland & Okpara 2004	ESO04	4	ethical climate	2004	JBE	e	bank sector	Nigeria	business management
Federwisch 2007	FED07	7	ethical culture	2007	www	c	unspecified	USA	freelance writer (F) applied ethics (Hanson)
Ferrell, Johnston & Ferrell 2007	FJF07	6.7	organizational ethical climate	2007	JPSSM	c	---	USA	marketing and ethics
Ferrell, Leclair & Ferrell 1997	FLF97	7	ethical climate	1997	JMM	e	food service industry	USA	marketing and ethics
Filipova 2009	FIL09	4	ethical climate	2009	NE	e	health care	USA	unknown
Flannery & May 2000	FM00	4	ethical climate	2000	AMJ	e	metal finishing industry	USA	management
Fleming 1985	FL85	7	ethical climate	1985	book chapter (r)	c/e	aerospace, manufact., insurance, retailing entertaining, banking	USA	unknown
Forte 2004a	FO04a	4	organizational ethical climate	2004	JBE	e	various unspecified	USA	management
Forte 2004b	FO04b	4	organizational ethical climate	2004	JBE	e	various unspecified	USA	management
Freire 2000	FRE00	4	clima ético (ethical climate)	2000	conference paper	e	academic organization (university)	Portugal	unknown
Fritzsche 2000	FRI00	4	ethical climate	2000	JBE	e	high tech company	USA	management
Gaertner 1991	GA91	4	ethical climate	1991	book chapter (r)	e	simulation	USA	business administration
Gebler 2006	GE06	7	ethical culture	2006	SF	c	---	USA	finance and accounting
Goldman & Tabak 2010	GT10	4	ethical climate	2010	NE	e	health care	Israel	unknown

reference	code	section	concept	year	source	type	industry	country	author background
Gonzalez-Padron, Hult & Calantone 2008	GHC08	7	ethical climate	2008	IMM	e	various (purchasing directors)	USA	chain supply management marketing
Grojean, Resick, Dickson & Smith 2004	GR04	4	climate regarding ethics	2004	JBE	c	---	UK	industrial and organi-zational psychology
Grover & Enz 2005	GE05	7	ethical climate	2005	JANAM	e	simulation	USA	management
Hamric & Blackhall 2007	HB07	6.5	ethical climate	2007	CCM	e	health care	USA	nursing
Hart 2004	HA04	6	hospital ethical climate	2004	unpublished dissertation	e	health care	USA	nursing
Hart 2005	HA05	6	hospital ethical climate	2005	JNS	e	health care	USA	nursing
Herndon 1991	HE91	-	unknown	1991	unpublished dissertation	e	sales force	USA	unknown
Herndon, Ferrell, LeClair & Ferrell 1999	HFLF99	-	ethical climate	1999	RM	e	sales force	USA	ethics
Herndon, Fraedrich & Yeh 2001	HFY01	7	ethical content of corporate culture	2001	JBE	e	sales force	USA/ Taiwan	ethics
Higgins 1995	HIG95	1	moral climate	1995	book chapter	e	education	USA	education, social and developmental psychology
Higgins & Gordon 1985/6	HG86	1	work climate; normative struct./cult.	1985	book chapter (r)	e	carpentry /restoration sewing/garment (textile firm)	USA	education, social and developmental psychology
Higgins, Power & Kohlberg 1984	HPK84	1	moral atmosphere	1984	book chapter (m)	e	education	USA	education, social and developmental psychology
Hoffman 1998	HO98	7	international ethical climate	1998	JBE	e	ice cream (Ben & Jerry's)	world wide	business
Høst, Brugman, Tavecchio & Beem 1998	HB98	1	moral atmosphere	1998	JME	e	education	NL	developmental psychology; education

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Hoover 2007	HO07	4	ethical work climate	2007	unpublished dissertation	e	army	USA	unknown
Ingram, LaForge & Schwepker 2007	ILS07	6.7	organizational ethical climate	2007	JPSSM	c	sales force	USA	marketing
Jackall 1984	JA84	7	moral ethos	1984	SCS	e	PR-firm, textile firms and chemical firms, defense contractor	USA	sociology and public affairs
Jaffe & Tsimerman 2005	JT05	4	ethical climate	2005	JBE	e	various via students	Russia	marketing business administration
Jaramillo, Mulki & Solomon 2006	JMS06	6.7	ethical climate	2006	JPSSM	e	retailer sales force	USA	marketing
Jobim & de Arruda 2004	JDA04	6.4	ethical climate	2004	conference paper	e	public services	Brazil	unknown
Jones, Felps & Bigley 2007	JFB07	6.10	stakeholder culture	2007	AMR	c	unspecified	USA	business management business ethics
Joseph & Deshpande 1997	JD97	4	ethical climate	1997	HCMR	e	health care	USA	management
Kaptein 2008	KA08	5	ethical culture	2008	JOB	c/e/i	various unspecified	NL	philosophy and management
Kaptein 2009	KA09	5	ethical culture	2009	JBE	e	various unspecified	NL	philosophy and management
Keiser & Schulte 2007	KS07	6.8	ethical climate	2007	SCJ	e/i	education	USA	educational administration research and statistics
Keiser & Schulte 2009	KS09	6.8	ethical climate	2009	SCJ	e/i	education	USA	
Kelley & Dorsch 1991	KD91	4	ethical climate	1991	JPSSM	e	various (purchasing executives)	USA	business administration marketing
Kennedy, Ferrell & LeClair 2001	KFL01	4	ethical climate	2001	JBR	e	car dealers	USA	marketing
Kerns 2003	KE03	7	ethical work-place culture	2003	GBR	c	---	USA	business administration

reference	code	section	concept	year	source	type	industry	country	author background
Key 1999	KEY99	5.2	organizational ethical culture	1999	JBE	e/i	various unspecified	USA	management
Kim & Miller 2008	KM08	4	ethical climate	2008	JBE	e	various in tourism	South Korea	management
Kish-Gephart, Harrison & Treviño 2010	KHT10	4+5.1	ethical climate ethical culture	2010	JAP	r/e	---	USA	management and organization, and ethics
Kitapçi & Elçi 2007	KE07	4	ethical climate	2007	JGSM	e	automotive manufacturing	Turkey	business administration
Koh & Boo 2001	KB01	4	ethical climate	2001	JBE	e	finance, service, manufacture	Singapore	management and ethics
Kohlberg 1970 (1983)	KO70	1	moral atmosphere	1970	book chapter (r)	c/e	education	USA	education, social and developmental psychology
Kohlberg 1980	KO80	1	moral atmosphere	1980	book chapter	c/e	education	USA	education, social and developmental psychology
Kohlberg 1981b	KO81b	1	moral atmosphere	1981	monograph	c/e	education	USA	education, social and developmental psychology
Kohlberg 1984	KO84	1	moral atmosphere	1984	book chapter	c/e	education	USA	education, social and developmental psychology
Kohlberg, Scharf & Hickey 1971	KSH71	1	moral atmosphere	1971	PJ	c/e	prisons	USA	education, social and developmental psychology
Kohlberg, Kauffman, Scharf & Hickey, 1975	KK75	1	moral atmosphere,	1975	JME	c	*prisons*	USA	education, social and developmental psychology
Kohlberg, Levine & Hewer 1983	KLH83	1	sociomoral atmosphere	1983	book chapter (m)	c/e	education	USA	education, social and developmental psychology
Kohlberg 1984 (identical to KLH83)	KO84	1	moral atmosphere	1984	book chapter (m)	c/e	education	USA	education, social and developmental psychology
Kohlberg 1986a	KO86a	1	moral atmosphere	1986	book chapter (r)	c/e	education	USA	education, social and developmental psychology
Kohlberg & Higgins 1987	KH87	1	moral atmosphere	1987	book chapter (r)	c/e	education	USA	education, social and developmental psychology
Lavoie & Culbert 1978	LAC78	2	stages of organizational	1978	HR	c	--	USA	human systems development

reference	code	section	concept	year	source	type	industry	country	author background
			development						management
Lemke 1994	LEM94	4	ethical (work) climate	1994	IABSP	e	various in small numbers	USA	management
Lemmergaard 2004	LMG04	4	ethical climate	2004	dissertation published	c/e	various unspecified	Denmark	management
Lemmergaard & Lauridsen 2008	LL08	4	ethical climate	2008	JBE	c/e	various unspecified	Denmark	management (Le) health economics (La)
Lending & Slaughter 2001	LS01	4	ethical climate	2001	conference paper	e	universities via students	USA	management ICT
Leung 2008	LEU08	4	ethical (work) climate	2008	JBE	e	trading	Hong-Kong	management
Liao & Rupp 2005	LR05	6.6	justice climate	2005	JAP	c/e	various unspecified	USA	management
Loch & Conger 1996	LOC96	4	ethical climate	1996	CACM	c/e	ICT	USA	management
Loe 1996	LOE96	6.7	ethical climate	1996	unpublished dissertation	c/e	unknown	USA	marketing
Loe & Ferrell 1997	LOF97	6.7	ethical climate	1997	DMS	c/e	unknown	USA	marketing
Logsdon & Yuthas 1997	LY97	2	organizational moral development ethical and moral climate	1997	JBE	c	---	USA	management (L) accounting (Y)
Lovell 1995	LO95	1	moral atmosphere	1995	AAAJ	c	accounting	UK	accountancy
Luthar, DiBattista & Gautschi 1997	LDG97	7	ethical climate	1997	JBE	c/e	students	USA	management
McDaniel 1997	MD97	6	ethics environment	1997	MC	i	health-care	USA	business theology

reference	code	section	concept	year	source	type	industry	country	author background
McKendall & Wagner 1997	MKW97	7	ethical climate	1997	OSC	e	various unspecified	USA	management
McKenna 1993	MCK93	4	ethical work climate	1993	unpublished dissertation	e	finance	USA	unknown
Mackin 1984	MAC84	1	moral atmosphere	1984	unpublished dissertation	e	cooperatively owned workplace	USA	unknown
Maclagan 1996	ML96	7	organizational context for moral development	1996	JBE	c	---	UK	management
Maesschalck 2004	MAE04	4	ethical climate	2004	unpublished dissertation	e/i	public sector	Belgium	political science
Maesschalck 2005	MAE05	4	ethical climate	2005	conference paper	e/i	public sector	Belgium	political science
Malloy & Taylor 1999	MT99	4	ethical climate	1999	ISJ	e	sports	Canada	sports and applied ethics (M); education (T)
Malloy & Agarwal 2001a	MA01a	4	ethical climate	2001	JSM	e	sports	Canada	sports and applied ethics (M); marketing (A)
Malloy & Agarwal 2001b	MA01b	4	ethical climate	2001	NML	c	*non-profit*	Canada	sport, health and applied ethics(M) marketing(A)
Malloy & Agarwal 2003	MA03	4	ethical climate	2003	IJNVSM	c/e	non-profit	Canada	sport, health and applied ethics(M) marketing(A)
Malloy, Agarwal & Rasmussen 2008	MAR08	4	ethical climate	2008	JBE	c/e	non-profit government	Canada	sport, health and applied ethics(M) marketing(A)
Maon, Lindgreen & Swaen 2010	MLS10	2	stages of CSR development	2010	IJMR	c	unspecified	UK/Belgium	management (M, S) marketing (L)

reference	code	section	concept	year	source	type	industry	country	author background
Martin & Cullen 2006	MC06	4	ethical climate	2006	JBE	r	---	USA	marketing (M) management (C)
Maul 1979	MAU79	1	moral atmosphere	1979	unpublished dissertation	e	education	USA	education and training
Maul 1980	MAU80	1	moral atmosphere	1980	JME	c/e	education	USA	education and training
Mayer, Kuenzi & Greenbaum 2009	MKG09	4	ethical climate	2009	book chapter (r)	r	---	USA	management
Menzel 1993	ME93	7	ethical climate	1993	book chapter	e	local government	USA	unknown
Mirvis & Googins 2006	MG06	2	stages of corp. citizenship	2006	CMR	c/e	various	UK	organizational psychology corporate citizenship
Morris, Schindehutte, Walton & Allen 2002	MS02	7	ethical climate	2002	JBE	e	various entrepreneur organizations	USA	management marketing
Morris 1997	MO97	4	ethical climate	1997	JBE	e	various business	USA	management
Mossholder, Bennett & Martin 1998	MBM98	6.6	procedural justice context	1998	JOB	c/e	finance	USA	management
Mulki, Jaramillo & Locander 2006	MJL06	6.7	ethical climate	2006	JPSSM	e	sales force	USA	marketing
Mulki, Jaramillo & Locander 2007	MJL07	6.7	ethical climate	2008	JBE	e	sales force	USA	marketing
Mulki, Jaramillo & Locander 2008	MJL08	6.7	ethical climate	2008	JBE	e	sales force	USA	marketing
Murphy 1989	MUR89	7	ethical corpor. culture	1989	SMR	c	unspecified	USA	unknown
Musiime, Ntayi & Samuel 2009	MTS09	7	ethical climate	2009	conference paper	e	banking	Uganda	marketing and business
Nakhaee, Mobasher & Garoosi 2008	NMG08	?	ethical climate	2008	JMEHM	e	health care	Iran	neuroscience researchers
Naumann & Bennett 2000	NB00	6.6	procedural	2000	AMJ	c/e	banking	USA	organizational behavior

reference	code	section	concept	year	source	type	industry	country	author background
			justice climate						management
Near, Baucus & Micelli 1993	NBM93	7	organizational climates for wrongdoing	1993	AS	c/e	government	USA	management, HRM, business administration
Nelson & Donnellan 2009	ND09	7	ethical culture	2009	HE	c	health care	USA	medicine, ethics; health & public service
Neubaum, Mitchell & Schminke 2004	NMS04	4	ethical climate	2004	JBE	e	various unspecified	USA	management
Newton, Wingreen & Blanton 2004	NWB04	7	organizational ethical climate	2004	conference paper	c/e	ICT	USA	management & IT
Nwachukwu & Vitell 1997	NV97	7	culture and ethics	1997	JBE	c/e	advertising	USA	marketing
Ogbonna 2002	OB02	?	ethical climate	2002	LBSMR	e	unknown	Uganda	unknown
O'Grady Harvey 2001	OG01	4	ethical climate	2001	unpublished dissertation	e	unspecified	USA	accounting
Okpara 2002	OK02	4	ethical climate	2002	conference paper	e	ICT in various business	Nigeria	management & IT
Okpara & Wynn 2008	OW08	4	ethical climate	2008	JMD	e	banks, transport, manufacturing, construction	Nigeria	management & IT
Olson 1995	OL95	6.5	ethical climate	1995	INR	c/e	health care	USA	nursing
Olson 1995d	OL95d	6.5	ethical climate	1995	unpublished dissertation	c/e	health care	USA	nursing
Olson 1998	OL98	6.5	ethical climate	1998	IJNS	c/e	health care	USA	nursing
Olson 2002	OL02	6.5	ethical climate	2002	CH	c	*health care*	USA	nursing

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Oracle Financial Services Software 2009	OR09	7	ethical culture, climate. context	2009	internal report	e	IT	India	unknown
Parboteeah & Cullen 2003	PC03	4	ethical climate	2003	book chapter (r)	c	---	USA	management
Parboteeah, Cullen, Victor & Sakano 2005	PC05	4	ethical climate	2005	MIR	c/e	accounting	Japan USA	management
Parboteeah & Kapp 2008	PB08	4	ethical climate	2008	JBE	c/e	unspecified plants	USA	management engineering
Pareek 1992/1994	PA94	6.9	organizational ethos	1994	book chapter (r)	i	---	India	HRD / OD
Peterson 2002a	PE02a	4	ethical climate	2002	JBE	c/e	various unspecified	USA	quantitative business analysis
Peterson2002b	PE02b	4	ethical climate	2002	JBP	c/e	various unspecified	USA	quantitative business analysis
Petrick & Manning 1990	PM90	2	ethical climate	1990	JQP	c	---	USA	management psychology
Petrick & Pullins 1992	PP92	2	ethical climate	1992	HCS	c	---	USA	management
Petrick & Wagley 1992	PW92	2	organizational moral development	1992	JMD	c	---	USA	management
Power 1979	PO79	1	moral atmosphere	1979	unpublished dissertation	c/e	education	USA	education, social and developmental psychology
Power 1986	PO86	1	moral atmosphere	1986	book chapter (r)	e	education	USA	education, social and developmental psychology
Power, Higgins & Kohlberg 1989	PHK89	1	moral atmosphere	1989	book chapter (m)	c/e	education	USA	education, social and developmental psychology
Power & Makogon 1995	PM95	1	just community	1995	JJCE	c	education	USA	education, social and developmental psychology
Power & Reimer 1978	PR78	1	moral atmosphere	1978	NDCD	c/e	education	USA	education, social and developmental psychology

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Rasmussen, Malloy & Agarwal 2003	RMA03	4	ethical climate	2003	PMR	e	government	USA	management and administration
Rego 2002	RE02	4	clima ético (ethical climate)	2002	RAE	e	fishing	Portugal	management
Reidenbach & Robin 1991	RR91	2	corporate moral devel.	1991	JBE	c	---	USA	marketing business ethics
Reimer 1977	RE77	1	moral atmosphere	1977	unpublished dissertation	e	kibbutzim	USA/Israel	education, social and developmental psychology
Reimer & Power 1980	RP80	1	moral atmosphere	1980	book chapter	c/e	education	USA	education, social and developmental psychology
Rosenblatt & Peled 2002	RP02	4	ethical climate	2002	JEA	c/e	schools	Israel	unknown
Ross & Robertson 2000	RR00	7	ethical climate	2000	BEQ	e	sales force	USA	unknown
Rothwell & Baldwin 2006	RB06	4	ethical climate	2006	RPPA	e	police	USA	public administration
Rothwell & Baldwin 2007	RB07	4	ethical climate	2007	JBE	e	police	USA	public administration
Roy 2009 (discussed partly)	ROY09	4	ethical climate	2009	unpublished dissertation	e	accounting and finance in government	USA	philosophy of public policy /administration
Ruppel & Harrington 2000	RH00	4	ethical climate	2000	JBE	e	various ICT	USA	ICT
Sagnak 1999	SAG99	??	ethical climate	1999	unpublished dissertation	e	education	Turkey	education
Saini & Martin 2009	SM09	4	ethical climate	2009	JBE	e	manufacturing	US	marketing
Scharf 1971	SCH71	1	moral atmosphere	1971	report	c/e	prisons	USA	unknown
Scharf 1973	SCH73	1	moral atmosphere	1973	unpublished dissertation	c/e	prisons	USA	unknown

reference	code	section	concept	year	source	type	industry	country	author background
Schluter, Winch, Holzhauser & Henderson 2008	SWH08	6.5	(hospital) ethical climate	2008	NE	c	*health care*	Australia	nursing
Schminke, Ambrose & Neubaum 2005	SAN05	4	ethical climate	2005	OBHDP	e	various unspecified	USA	management
Schminke, Arnaud & Kuenzi 2007	SAK07	4	ethical work climate	2007	OD	c	---	USA	management
Schnake, Dumler & Fredenberger 2005	SDF05	7	ethical climate	2005	AELJ	e	education	USA	unknown
Schrader 2004	SCH04	1	moral atmosphere	2004	JAD	c/e	education	USA	education
Schulte, Brown & Wise 1991	SBW91	6.8	ethical climate	1991	RHE	e/i	education	USA	research and statistics
Schulte 2001	SC01a	6.8	ethical climate	2001	JCSR	e/i	education	USA	research and statistics
Schulte et al 2001	SC01b	6.8	ethical climate	2001	CSJ	e/i	education	USA	research and statistics
Schulte et al 2002	SC02	6.8	ethical climate	2002	SCJ	e/i	education	USA	research and statistics
Schulte et al 2003	SC03	6.8	ethical climate	2003	SCJ	e/i	education	USA	research and statistics
Schwepker 2001	SCH01	6.7	ethical climate	2001	JBR	e	sales force	USA	marketing
Schwepker, Ferrell & Ingram 1997	SFI97	6.7	ethical climate	1997	JAMS	e	sales force	USA	marketing
Schwepker & Good 1999	SG99	6.7	ethical climate	1999	JSMA	e	finance	USA	marketing
Schwepker & Good 2007	SG07	6.7	ethical climate	2007	JPSSM	e	sales force	USA	marketing
Schwepker & Hartline 2005	SH05	6.7	ethical climate	2005	JSR	e	sales force	USA	marketing

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Seligson & Choi 2006	S&C06	7	organizational ethical culture	2006	research report	e	unspecified	USA	unknown
Shafer 2008	SH08	4	ethical climate	2008	AOS	e	CPA firms	China/ (Hong Kong)	accountancy
Shafer 2009	SH09	4	ethical climate	2009	AAAJ	e	CPA firms	China/ (Hong Kong)	accountancy
Shapira-Lishchinsky & Rosenblatt 2010	SLR10	4	ethical climate	2010	JEA	e	education	Israel	administration; HRM organizational ethics
Shirey 2005	SHI05	6.5	ethical climate	2005	JONA	c	*health care*	USA	nursing administration
Silverman 2000	SIL00	7	ethical climate corporate ethics culture	2000	HECF	c	*health care*	USA	unknown
Sims & Kroeck 1994	SK94	4	ethical climate	1994	JBE	e	health care	USA	ethics (S) management (K)
Sims & Keon 1997	SK97	4	ethical (work) climate	1997	JBE	e	students	USA	ethics (S) management (K)
Sims 1992	SIM92	4	ethical climate	1992	JBE	c	---	USA	management
Sims & Brinkmann 2002	SB02	4	ethical climate	2002	JBE	e	banking	USA	management
Sinclair 1993	SIN93	7	culture and ethics	1993	JBE	c	---	USA	management
Singhapakdi 1993	SIP93	7	organizational ethical culture	1993	JBE	e	marketing	USA	marketing
Small 2006	SMA06	7	ethical corporate culture	2006	JMD	e	engineering police academy naval shore establishment	Australia	management

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Smith 2006	SMI06	7	ethical climate	2006	FP	c	financial services organization	Australia	unknown
Smith, Thompson & Iacovou 2009	STI09	4	ethical climate	2009	JBE	e	project organizations	USA	unknown
Snell 1993	SN93	3	moral ethos	1993	book (m)	c/e	various	UK	ethics management
Snell 2000	SN00	3	moral ethos	2000	OST	c	---	Hong Kong	ethics management
Snell 2001	SN01	3	moral ethos moral climate	2001	HR	c	---	Hong Kong	ethics management
Snell, Chak & Taylor 1996	SCT96	3	moral ethos	1996	MRN	e	travel, trading clothing, cosmetics transportation	Hong Kong	ethics management
Snell, Taylor, Chu & Drummond 1999	STC99	3	moral ethos	1999	TBE	i	---	China	ethics management
Snell & Tseng 2001	ST01	3	moral atmosphere	2001	report	e	various (cars, beer, stores, iron)	China	ethics management
Snell & Tseng 2002	ST02	3	moral atmosphere	2002	OST	e	various (cars, beer, stores, iron)	China	ethics management
Sridhar & Camburn 1993	SC93	2	stages of moral development of corporations	1993	JBE	c	---	USA	management
Stewart, Volpone, Avery & McKay 2010	SV10	7	ethical climate	2010	JBE	e	retail organizations	USA	psychology, business, management, HRM
Stone & Henry 2003	SH03	4	ethical work climate	2003	JBE	c/e	ICT	USA	management & IT
Stoner 1989	STO89	7	moral org. culture	1989	SAM	c	---	USA	business & management
Sweeney, Arnold & Pierce 2010	SAP10	7	ethical culture	2010	JBE	e	accountancy	USA/ Ireland	accountancy

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Taylor & Walker 1997	TW97	1	moral climate	1997	JME	e	juvenile correctional institution	Canada	psychology
Teen, Teo & Lander 2009	TTL09	7	ethical climate	2009	WWP	e	consultancy	Hong Kong, India, Taiwan Indonesia, Philippines, South Korea Australia, Singapore, Japan, China Thailand Malaysia	research; HR
Tenbrunsel, Smith-Crowe & Umphress 2003	TSU03	7	ethical infrastructure	2003	SJR	c	---	USA	business
Treviño 1986	TR86	5.1	ethical context	1986	AMR	c/r	---	USA	management and organization and ethics
Treviño 1990	TR90	5.1	organizational ethical culture	1990	ROCD	c	---	USA	management and organization and ethics
Treviño 1992	TR92	5.1	organizational ethical culture	1992	JBE	c	---	USA	management and organization and ethics
Treviño, Butterfield & McCabe 1998	TBM98	4+5.1	ethical context/ climate/ culture	1998	BEQ	e	various unspecified	USA	management and organization and ethics
Treviño & Nelson 1995	TN95	5.1	organizational ethical culture	1995	book chapter (m)	h	---	USA	management and organization and ethics
Treviño & Nelson 2007	TN07	5.1	organizational ethical culture	2007	book chapter (m)	h	---	USA	management and organization and ethics
Treviño & Weaver 2003	TW03	5.1	ethical climate ethical culture	2003	book chapter (m)	h		USA	management and organization and ethics

reference	code	section	concept	year	source	type	industry	country	author background
Tsahuridu 2004	TS04	4	ethical climate	2004	conference paper	e	various unspecified	Australia	ethics and management
Tsai & Huang 2008	TH08	4	ethical climate	2008	JBE	e	health care (nurses)	Taiwan	business administration
Ulrich, O'Donnell, Taylor et al 2007	UO07	6.5	ethical climate	2007	SSM	e	health care	USA	(bio)ethics, social work
Upchurch 1993	UP93	4	ethical work climate	1993	unpublished dissertation	e	lodging	USA	hospitality and tourism
Upchurch & Ruhland 1995	UR95	4	ethical work climate	1995	JTR	e	lodging	USA	hospitality and tourism marketing
Upchurch & Ruhland 1996	UR96	4	ethical work climate	1996	JBE	e	lodging	USA	hospitality and tourism marketing
Upchurch 1998	UP98	4	ethical work climate	1998	JBE	e	lodging	USA	hospitality and tourism
Vaicys, Barnett & Brown 1996	VBB96	4	ethical climate	1996	PR	i	marketing	USA	management and marketing
VanSandt 2001	VS01	4	ethical work climate	2001	unpublished dissertation	e	various	USA	management
VanSandt, Shepard & Zappe 2006	VSZ06	4	ethical work climate	2006	JBE	e	various	USA	management, educational psychology
Vardi 2001	VAR01	4	ethical climate	2001	JBE	e	metal industry	Israel	labor studies
Venezia & Gallano 2008	VG08	4	ethical work climate	2008	IBERJ	e	accountancy	Philippines	accountancy
Verbeke, Ouwerkerk & Peelen 1996	VOP96	7	ethical climate	1996	JBE	e	sales force	NL	marketing
Verbos, Gerard, Forshey, Harding & Miller 2007	VGF07	7	ethical climate ethical org. culture	2007	JBE	c	---	USA	business
Verschoor 2004	VER04	7	ethical climate ethical culture	2004	IA	c	unspecified	USA	accountancy auditing

reference	code	section	concept	year	source	type	industry	country	author background
Verschoor 2005	VER05	7	ethical culture	2005	SF	c	unspecified	USA	accountancy auditing
Victor & Cullen 1987	VC87	4	ethical climate	1987	ROCD	c/e	various	USA	management, moral leadership ethics
Victor & Cullen 1988	VC88	4	ethical work climate	1988	ASQ	c/e	various	USA	management, moral leadership ethics
Victor & Cullen 1990 (reprint of VC87)	VC90	4	ethical climate	1990	book chapter (r)	c/e	various	USA	management, moral leadership ethics
Vitell & Davis 1990	VD90	7	ethical climate	1990	JBE	e	MIS	USA	marketing information systems
Vitell, Rallapalli & Singhapakdi 1993	VRS93	7	organizational ethical culture	1993	JAMS	e	marketing	USA	marketing
Waring 2004a	WA04a	7	ethical climate	2004	report	e	city government	USA	auditing
Waring 2004b	WA04b	7	ethical climate	2004	IA	e	city government	USA	auditing
Waters & Bird 1987	WB87	7	moral dimension of org. culture	1987	JBE	c	---	USA	management (W) religion (B)
Webber 2007	WEB07	4	ethical climate	2007	JAL	i	libraries	USA	ICT
Weber 1995	WE95	4	ethical climate	1995	OSC	e	finance	USA	management business administration
Weber & Seger 2002	WES02	4	ethical climate	2002	JBE	e	finance	USA	management (W) HRM (S)
Weber, Kurke & Pentico 2003	WKP03	4	ethical work climate	2003	BS	e	health care	USA	management
Weber & Gerde 2010	WG10	4	ethical work climate	2010	JBE	e	army	USA	management business administration

reference	code	section	concept	year	source	type	industry	country	author background
Weeks, Loe, Chonko & Wakefield 2004	WLC04	6.7	ethical climate	2004	JPSSM	e	sales force	USA	marketing
Weeks, Loe, Chonko, et al 2006	WLC06	6.7	ethical climate	2006	JPSSM	e	sales force	USA	marketing
Wimbush 1991	WIM91	4	ethical climate	1991	unpublished dissertation	c	---	USA	management
Wimbush & Shepard 1991	WS91	4	ethical climate	1991	conference paper	c	---	USA	management
Wimbush & Shepard 1994	WS94	4	ethical climate	1994	JBE	c	---	USA	management
Wimbush, Shepard & Markham 1997a	WS97a	4	ethical climate	1997	JBE	e	retail	USA	management
Wimbush, Shepard & Markham 1997b	WS97b	4	ethical climate	1997	JBE	e	retail	USA	management
Wingreen 2003	WIN03	7	organizational ethical climate	2003	unpublished dissertation	e	ICT	USA	ICT
Wittmer & Coursey 1996	WC96	4	ethical work climate	1996	JPART	e	various unspecified	USA	public administration
Wong 2005	WO05	4	ethical climate	2005	unpublished dissertation	e	various (123) unspecified	Hong Kong	philosophy
Woodbine 2006	WOB06	4	ethical climate	2006	IRBRP	e	finance	China	management
Woodstock Theological Center 1990	WO90	6.1	ethical corporate climate	1990	report	c	---	---	---
Wotruba, Chonko & Loe 2001	WCL01	6.7	ethical climate	2001	JBE	e	various unspecified	USA	marketing
Wyld & Jones 1997	WJ97	4	ethical work climate	1997	JBE	c	---	---	management (W) HRM (J)
Zipparo 2000	ZIP00	7	ethical culture	2000	research report	e	public sector agencies local councils	Australia	unknown

APPENDIX 2 Tracking of contributions to moral climate theory

In the second part of this part, some genealogy is carried out in order to identify patterns of reference and, if possible, clusters of positions and ongoing debates, or even paradigms within moral climate theory and research. The genealogical exercise follows both an internal and an external path. The internal, "moral climate path" consists of visualizing paths and patterns of reference. More in particular, genealogy could detect moral climate debates, if present. However, there were no explicit debates to be found. Instead, the genealogical perspective reveals a large stream of publications that lean rather uncritically upon the typology of Victor and Cullen and their Ethical Climate Questionnaire. Therefore, an important part of the internal path examines the "Wirkung" (impact) of the typology of Victor and Cullen and the use of their Ethical Climate Questionnaire.

In this manner, genealogy is also of interest in specifying the (lack of) development within moral climate theory, which is partly due to the specific academic backgrounds and fields of interests of contributors. In sum, the internal path considers references within the domain of moral climate theory: who is referred to by whom, and who is referring to whom? The external path examines whether authors have utilized bodies of literature from related disciplines, notably about ethics and about organizational climate and culture.

The external path examines the degree to which authors refer to ethics theory in general, to the cognitive developmental moral theory of both Kohlberg and associates and Rest. Furthermore, the relation to culture and climate theory is listed, in order to investigate the climate part of moral climate. For convenience, the same abbreviations for journals are used as were in the scoring part (see above). Since the influence of Kohlberg (and Rest) is one of the leading issues in the present study, for reasons of convenience, essential contributions of Kohlberg (and associates) and Rest are listed and included in the format below.

		Kohlberg 1976	KO76
Blatt & Kohlberg 1975	BK75	Kohlberg 1981a	KO81a
Colby, Gibs et 1980	CGK80	Kohlberg 1984	KO84
Colby et al 1983	CK83	Kohlberg 1985	KO85
Colby & Kohlberg 1987	CK87	Kohlberg 1986	KO86
Dien 1982	DI82	Kohlberg & Candee 1984	KC84
Dushka & Whelan 1977	DW77	Kohlberg & Kramer 1969	KK69
Elm & Weber 1994	EW94	Kohlberg, Levine & Hewer 1983	KLH83
Fraedrich et al 1994	FTF94	Kohlberg & Ryncarz 1990	KR90
Gibbs 1977	G77	Kohlberg & Turiel 1973	KT73
Gibbs 1979	G79	Kurtines & Greif 1974	KG74
Gilligan 1982	GI82	Lickona 1976	LC76
Higgins 1991	HI91	Rest 1979	R79
Kohlberg 1958	KO58	Rest 1983	R83
Kohlberg 1964	KO64	Rest 1986	R86
Kohlberg 1967	KO67	Rest 1994	R94
Kohlberg 1968	KO68	Rest, Narvaez et al 1999	R99
Kohlberg 1969a	KO69a	Rest, Narvaez et al 2000	R00
Kohlberg 1969b	KO69b	Snarey 1985	SN85
Kohlberg 1970	KO70	Snell 1996	SN96
Kohlberg 1971a	KO71a	Weber 1990	WE90
Kohlberg 1971b	KO71b	Weber 1991	WE91
Kohlberg 1973	KO73		

Concerning the ethics part in moral climate studies, the issue emerges of what counts as a substantial reference to ethical theory. The question is not so much, to which authors one is referring but whether the moral climate study under review is based on sound ethics theory at all. This ethics theory can be found throughout a large amount of publications, textbooks, monographs, and articles/book chapters. Business ethics literature is a specific category, since it may or may not be built upon sound ethics theory. Therefore, business ethics literature is included as an appropriate source if it exhibits an explicit ethics view. This category includes a wide variety of both books and articles on subjects such as trust, misconduct, corporate codes of conduct, integrity, ethical decision in business contexts, et cetera. It would ask for a separate – interesting though time consuming – exercise to examine the nature and quality of ethics theory represented in business ethics literature. Furthermore, in some instance, authors refer to professional ethics literature (as well). Yet, for our purpose, a general impression will be sufficient to test to hypothesis that in moral climate literature, the moral part is underpinned with ethics theory insufficiently, allowing authors to give serious misinterpretations of ethical concepts and theories.

Therefore, four broad categories are distinguished

- ethics textbooks (ET)
- ethics monographs (EM)
- ethics articles and book chapters(EA)
- business ethics literature, including professional ethics literature (BE)

The latter category excludes moral climate theory, which has been listed separately.

Concerning climate and culture, only those texts count as foundational in which concepts of climate and culture are compared and scrutinized carefully. More in particularly references to climate discussions are looked for. The references are included in the bibliography of the present study, and for the most part discussed in chapter 3.

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Acharya 2005	AC05	4	CVS89 TN98 VC87 VC88 WE95 WS1997b	---	CVS89 VC87 VC88	ET0 EM0 EA0 BE4 (mainly ethics and dentistry	--
Agarwal & Malloy 1999	AM99	4	CH95 CVB93 D96a HPK84 KD91 KO84 OL95 SK97 SIN93 TR86 TR90 UR95 VC87 VC88 VC90 WS94 WS97a WJ97	KO69 KO84 GI82	CVB93 VC88 VC90	ET1 EM2 EA1 BE9	Meudal & Gadd 1994; Moran & Volkwein 1992; Ouchi 1980; Reichers & Schneider 1990; Rousseau 1988; Schein 1985; Schneider 1995; Schneider & Rentsch 1988.
Ambrose, Arnaud & Schminke 2007	AAS07	4	AM99 CSW97 D96a FRI00 KO84 LR05 SAM05 SFI97 SK97 SK94 TR86 TBM98 VC87 VC88 VC90 WE02 WS97b	KO81a KO84	VC87 VC88 VC90	ET0 EM0 EA0 BE12	Ostroff, Kinicki & Tamkins 2003; Schneider, Salvaggio & Subirat 2002; Zohar & Luria 2005
Ampofo et al 2004	AMC04	5.2	KEY99 PE02a SK97 TR86	(indirectly through Mobley, 2002)	---	ET0 EM3 EA0 BE19	Hofstede 1998; McMurray 2003; Schein 1992
Ampofo 2005	AM05	5	not included	not included	not included	not included	not included
Andreoli & Lefkowitz 2008	AL08	7	BB04 DS01 DDS01 FO02b GR04 KO84 TR86 VSZ06 WS97a VAR01 VC88 WKP03	KO81a KO84 R79 R90 R94	---	ET0 EM2 EA6 BE35	---
Appelbaum, Deguire & Lay 2005	ADL05	4	BH98 CPV03 D96aPE02a PE02b SIN93 VAR01 VC87 VC88 WS94 WS97b	---	VC87 VC88 CPC03	ET0 EM0 EA0 BE17 (mainly on work place deviant behavior)	---
Aquino 1998	AQ98	7	BDB96 TR86	KO69 ; TR86	---	ET1 EM0 EA8 BE14	---
Ardichvili, Mitchell & Jondle 2008	AMJ08	7	CH93 TR86 TR90 TR95/04 BT06	---	---	ET0 EM0 EA0 BE7	Schein 1985; Schein 2004

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Armstrong, Kusama & Sweeny 1999	AKS99	-	not included	not included	not included	not included	not included
Armstrong & Francis 2008	AF08	4	AKS08 D96a D96b MC06 VC87 VC88	---	VC87 VC88	ET0 EM0 EA0 BE4	---
Arnaud 2006	AR06 4	4	not included	not included	not included	not included	not included
Arnaud & Schminke 2006	AS06	4	AS07 BS02 CVB93 EH04 EN93 FRI00 MC06 PE02a PE02b SAN05 TBM98 VBB96 VC87 VC88 WS97a WS97b	KO84 R84 R86 R94	VC87 VC88 VBB96 CVB93	ET0 EM0 EA7 BE16	---
Arnaud & Schminke 2007	AS07	4	AM99 AAS02 BS02 BV00 BS00 CH95 CH98 CVB93 CVS89 DLC97 D97b DGJ00 DS01 EN93 FM00 FRI00 HFY01 JD97 KEY99 KB01 KO84 LY97 MA01a MO97 PE02a PE02b RP02 SAN05 SFI97 SG99 SB02 SK97 SK94 TR86 TR90 TBM98 UR95 UR96 VBB96 VAR01 VC87 VC88 VSZ06 WB87 WE95 WES02 WS94 WS97a WS97b	KO81a KO84 R79 R83 R86 R94 RNBT99	CVB93 CVS89 VC87 VC88	ET0 EM2 EA0 BE29	Denison 1990; Glick 1985; Guion 1973; James & Jones 1974; Kozlowski & Klein 2000; Qualls & Puto 1989; Schein 1985; Schneider 1972
Arruda & Navran 2000	AN00	6.4	---	---	---	ET0 EM0 EA0 BE7	---
Babin, Boles & Robin 2000	BBR00	6.3	SFI97 VC88 CH98 VRS93 WS94	---	VC88	ET0 EM0 EA0 BE16	Kopelman, Brief & Guzzo 1990; Moussavi & Jones 1990; Brown & Leigh 1996; Qualls & Puto 1989

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Bahcecik & Oztürk 2003	BO03	6	OL98 SAG99 VC87 VC88 (indirectly)	---	---	ET1 EM1 EA0 BE6 (BE: medical and nursing ethics)	Turkish publications in organizational/learning climate Schneider 1990 (indirectly)
Banning 1997	BAN97	7	---	GI82	---	ET0 EM0 EA4 BE11 (educational ethics; ethic of care)	---
Barnett & Schubert 2002	BS02	4	BV00 CVB93 KO84 VBB96 VC88 WS97a	KO84	VC88 CVB93	ET0 EM1 EA0 BE6 EM: Etzioni 1988 (psychological contract violation)	Schneider 1975
Barnett & Vaicys 2000	BV00	4	CVB93 TR86 TBN98 VBB96 VC88 WS94 WS97a WJ97	---	VC88 CVB93	ET0 EM0 EA0 BE10	---
Bartels et al 1998	BH98	4	CVB89 D96a TR86 VC98 WS84	---	CVB89 VC89	ET0 EM0 EA0 BE10	Denison 1996; Rousseau 1988; Schneider & Reichers 1983; Schein 1990
Bassett 2009	BAS09	7	---	---	---	ET0 EM0 EA0 BE0	---
Bell 2003	BE03	7	TR90 LO95d	---	---	ET0 EM0 EA2 BE10 (including health ethics)	Halpin & Croft 1962
Beu & Buckley 2004	BB04	7	BV00 TR86 TR90 TBM98	KO69 R86	---	ET0 EM2 EA1 BE52	(three articles on culture)
Bline, Cullinan & Farrar 2008	BCF08	4	CPV03 KD91 SCH01 VC88 WES02 WS97a	---	CPV03 VC88	ET0 EM0 EA0 BE1	---
Bourne & Snead 1999	BS99	4	CVS89 VC88 WS94 WS97	---	CVS89 VC88	ET0 EM0 EA0 BE24	---

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Brief, Dukerich, et al 1996	BDB96	7	---	---	---	ET0 EM3 EA2 E10 (EM:Rokeach)	Koppelman, Brief & Guzzo 1990; Schneider & Gunnarson 1990
Brower & Shrader 2000	BS00	4	CVS89 CVB93 DCL97 D96a EN93 KLW83 ML96 SC93 TR86 VC88 WS97b WD96 WJ97	KLH83 R79 R94	CVS89 VC88	ET0 EM0 EA0 BE21	---
Brown & Treviño 2006	BT06	5.1	CPV03 FM00 GR04 RR00 SAN05 TSU03 TR86 TR90 TN07 TBM98 VC87 VC88	GI82 KO69 R79 R86 R99	VC87 VC88 CPV03	ET0 EM0 EA1 BE45	---
Brugman 1994	BR94	1	PHK89 KO70 KO81b	KO81a KC84	---	ET0 EM0 EA15 BE0	school climate literature
Brugman, Høst, et al 1994	BH94	1	CK87 HPK84 KO81b KO85/86 KH97 PHK89	KC84 KO85 WE90	---	ET0 EM0 EA9 BE0	school climate literature
Brugman et al 2003	BHB03	1	CK87 HB98 KO81b KO85/ KO86 PHK89	KO85 R99	---	ET0 EM1 EA15 BE0	---
Buchan 2005	BU05	4	FM00 LC96 TR86 VC87 VC88 WS94 WS97a WS97b	KO69 R86 RNBT99	VC87 VC88	ET0 EM0 EA2 BE22	---
Bulutlar & Oz 2008	BO08	4	AAS07 CVS89 CPV03 EA08 EG07 FO04a JMS06 KD91 LEU08 MC06 MJL08a PC05 PK07 PE02a PE02b SAK08 VAR01 VC88 WS94 WS97a WS97b	---	CVS89 VC88	ET0 EM0 EA0 BE4	Barron & Kenny 1986; Glick 1985; McMurray 2003; Moran & Volkwein 1992; Schneider 1975
Caldwell & Moberg 2007	CM07	7	AQ98 BV00 NV97 TR86 TBM98	R00	---	ET0 EM4 EA11 BE7 (moral imagination)	O'Reilly, Chatman & Caldwell 1991

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Carroll 1993	CA93	7	CVS89	+ (not specified)	---	ET0 EM1 EA0 BE29	---
Chen, Sawyers & Williams 1997	CSW97	7	MUR89 RR91 SIM92 SIN93 WS94	---	---	ET0 EM0 EA0 BE17	---
Cockerell & Armstrong 1999	CA99	4	not available; not included	unknown	unknown	unknown	Unknown
Cohen 1993	CH93	6.2	TR86 TR90 VC88	LC76	VC88	ET0 EM0 EA0 BE20	---
Cohen 1995	CH95	6.2	BDB96 (1995 draft) CH93 KO84 PHK89 SIN93 TR86 TR9088 VC88 S94	GI82 HI91 KO84 LC76 PHK89	VC88	ET0 EM3 EA10 BE47 (Etzioni, 1988; MacIntyre, 1984; Rokeach, 1973)	Davis 1984; Deal & Kennedy 1984; Glick 1985; Gordon 1991; Jones & James 1979; Joyce & Slocum 1990 ; Kopelman et al 1990; Reichers & Schneider 1990; Schein 1990; Schneider 1983; Schneider 1990.
Cohen 1998	CH98	6.2	CH93 CH95 KO84 LEM94 SIN93 TR86 TR90 TBM98 VC88 WE95 WS94	GI82 HI91 KO84 PHK89	VC88	ET0 EM2 EA0 BE43 (Adam Smith; Etzioni 1988)	Ashforth 1985; Drexler 1977; Johnston 1976; Jones et al 1979; Joyce & Slocum 1990; Kopelman et al 1990; Kotter & Heskett 1992; Payne & Mansfield 1973; Powell & Butterfield 1978; Reichers & Schneider 1990; Rousseau 1988; Schein 1990; Schneider 1983; Schneider 1990.

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Collier 1998	CL98	7	--	---	---	ET0 EM8 EA9 BE14	Denison 1996; Hampen-Turner 1993; Hofstede 1980; Litwin & Stringer 1968; Schein 1985; Smircich 1983
Colquitt, Noe & Jackson 2002	CNJ02	6.6	MBM98 NB00	---	---	ET0 EM1 EA0 BE24 mainly on (procedural) justice and fairness	Hofstede 1980; Lindell & Brandt 2000; Powell & Butterfield 1978; Schneider & Reichers 1983
Conine & Rowden 2006	CR06	4	AKS99 D96a JD97 KB01 MJL06 OK02 PE02a SAN05 SCH01 SH05 SK94 VC88 VC90 VD90	---	VC88 VC90	ET0 EM0 EA0 BE5	---
Corley, Minick, Elswick & Jacobs 2005	CM05	7	MD97 OL98	---	---	ET0 EM0 EA0 BE23 (nursing ethics)	---
Cullen, Parboteeah & Victor 2003	CPV03	4	CVB93 CVS89 FRI00 SCH01 SK94 TMB98 VC87 VC88 WE95 WES02WS94	KO67 KO81a R84	CVB94 VC87 VC88	ET1 EM1 EA0 BE1 (ET: Rosen 1978) (EM: Williams 1985)	Ashkanasy & Wilderom 2000; Drexler 1977; Glick 1885; Howe 1977; Schneider 1975
Cullen, Victor & Bronson 1993	CVB93	4	VC87 VC88	GI82 KO81a	VC87 VC88	ET1 EM1 EA0 BE1 (EM: Williams 1985)	James & Jones 1974; Schneider 1975; Schneider 1984;Woodman & King 1978; Johannesson 1973
Cullen, Victor & Stephens 1989	CVS89	4	VC88	KO81a	VC88	ET0 EM1 EA0 BE1 (EM: Rawls)	---
DeConinck & Lewis 1997	DCL97	4	VC88	---	VC88	ET0 EM0 EA0 BE23	Jansen & Von Glinow 1985
Dempster et al 2001	DFP01	7	---	---	---	ET0 EM1 EA0 BE4 (educational ethics)	---
Deshpande 1996a	D96a	4	KO84 SIN93 VC90	KO67 KO84	VC90	ET0 EM1 EA0 BE7 (Williams 1985)	Schneider 1983

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Deshpande 1996b	D96b	4	KO84 SIN93 VC90	KO67 KO84	VC90	ET0 EM1 EA0 BE9 (Williams 1985)	Schneider 1983
Deshpande, George & Joseph 2000	DGJ00	4	D96a KO84 VC90 WS94	KO67 KO84	VC90	ET0 EM1 EA0 BE10 (Williams 1985)	Schneider 1983
Deshpande & Joseph 2008	DJ08	4	D96a KO84 MC06 VC87 VC88	KO84	VC87 VC88	ET0 EM1 EA0 BE12 (Williams 1985)	Schneider 1983
Deshpande, Joseph & Shu 2010	DJS10	4	D96a DGJ00 ESO04 FO04a PE02a VC90 WS94	KO67 KO84	VC90	ET0 EM1 EA0 BE25 (Williams 1985)	Litwin & Stringer 1968; Schneider 1983; Tagiuri & Litwin 1968
Dickson et al 2001	DS01	4	BBR00 CH05 CVS89 LDG97 SFI97 TR86 VC87 VC88 WE05 WS94 s	---	VC87 VC88 CVB89	ET0 EM0 EA0 BE22	Ashkanasy, Broadfoot & Falkus 2000; Deal & Kennedy 1982; Denison 1996; Joyce & Slocum 1984; Litwin & Stringer 1968; Ott 1989; Reichers & Schneider 1990; Schein 1992; Schneider 1975; Schneider & Reichers 1983; Schneider et al 2000; Zohar 1980
Dorosamy 2010	DOR10	7	TN95	---	---	ET0 EM0 EA0 BE12	Kotter & Heskett 1991
Dorsch, Swanson & Kelley 1998	DSK98	4	KD91 VC87 VC88	---	VC87 VC88	ET0 EM0 EA0 BE6 (mainly marketing ethics)	---
Douglas, Davison & Schwartz 2001	DDS01	7	BDB96 TR86	---	---	ET0 EM3 EA0 BE33	Ouchi 1980

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Drumm 2000	DRU00	7	ME93	---	---	ET1 EM6 EA1 BE17	Schein 1985
Duh & Belak 2009	DB09	4	VC88	---	VC88	ET0 EM0 EA0 BE8	Cameron & Quinn 1999; Deal & Kennedy 1982; Hofstede et al 1990; Hofstede 1998; Schein 1985
Duh, Belak & Milfelner 2010	DBM10	4	CPV03 CVS89 MC06 MS02 NMS04 VC88 WEB07	---	VC88	ET0 EM0 EA0 BE24	Cameron & Quinn 1999; Deal & Kennedy 1982; Hofstede et al 1990; Hofstede 1998; Schein 1985;Schwartz & Davis 1981
Dursun 2004	DU04	4	VC87 VC88 WJ97	KO84	VC87 VC88	ET0 EM0 EA0 BE5	Jansen & Van Glinow 1985
Ede & Legosz 2002	EL02	7	---	---	---	ET0 EM0 EA1 BE9 (mainly police related)	---
Ehrhart 2004	EH04	6.6	CNJ02 MBM98 NB00	---	---	ET0 EM0 EA1 BE25 (prosocial behavior; organizational citizenship behavior, altruism, ethical leadership, justice)	Glick 1985; Hofstede 1980; Schneider 1975; Schneider 1990; Schneider & Reichers 1983
Elçi & Alpkan 2008	EA08	4	AM99 ADL 05 BBR00 BV00 BS00 CPV03 CVB93 D96a FRI00 JMS06 JD97 KB01 MJL06 WLC04 WOB06	---	CVB93 VC87 VC88	ET0 EM0 EA0 BE6	Schneider 1975
Elm 1989	EL89	-	not available; not included	unknown	unknown	unknown	unknown

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Elm & Nichols 1993	EN93	4	HPK84 KO69 KO84 TR86 VC87 VC88	BK75 GI82 HPK84 KO69 KO73 KO76 KO84 KG74 R79 R83 R84 WE90	VC87 VC88	ET0 EM5 EA8 BE13 (EM including Jackall 1988)	Glick 1985
Ells, Downie & Kenny 2002	EDK02	7	VC87 TBM98	indirect via TBM98	---	ET0 EM0 EA0 BE13 (mainly ethics in health care organizations)	---
Engelbrecht, van Aswegen & Theron2005	EAT05	4	CO93 DS01 VC87 VC88 WE05	---	VC87 VC88	ET0 EM0 EA1 BE18 (partly on ethical leadership/integrity)	---
English 2008	ENG08	7	---	---	---	ET0 EM0 EA0 BE1	Carr, Schmidt, Ford &. DeShon 2003; Rousseau 1988
Erakovich, Bruce & Wyman 2002	EBW02	4	AM99 BH98 CH93 CVB93 FRI00 KEY99 PA94 RH00 SK97 UR96 VC87 VAR01 WS97a WJ97	KO81a	VC87 CVB93	ET0 EM0 EA0 BE8	Ott 1989; Schein 1992; Peters & Waterman 1990
Erben & Güneşer 2007	EG07	4	ADL05 BV00 CVB93 CPV03 D97b DS01 TBM98 VC87 WLC04 WS97 WJ97	---	VC87 VC88 CVB93 CPV03	ET0 EM0 EA0 BE2	Hofstede 1980; Schneider 1975
Erondu, Sharland & Okpara 2004	ESO04	4	BV02 D96b CVB93 VC87 VC90 WS94	KO81a	VC87 VC90 CVB93	ET0 EM0 EA0 BE5	Schneider 1975
Federwisch 2007	FED07	7	---	---	---	ET0 EM0 EA0 BE0	---
Ferrell, Johnston & Ferrell 2007	FJF07	6.7	DCL97 ILS07 SH05 SFI97 SK94 TR86 WLC04	---	---	ET0 EM0 EA0 BE46 (mainly sales force ethics)	---

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Ferrell, Leclair Ferrell 1997	FLF97	7	CA93 HE91 VC87 VC88 WIM91	---	---	ET0 EM0 EA0 BE18	Downey, Hellriegel & Slocum 1975; Field & Abelson 1982
Filipova 2009	FIL09	4	AM99 CM05 CPV03 EDK02 HA05 JD97 MC06 OL98 PE02a RMA03 SHI05 SIL00 SWH08 UO07 VC87 VC88 WS97a	---	VC87 VC88	ET0 EM0 EA0 BE5	Powell & Butterfield 1978
Flannery & May 2000	FM00	4	BH98 CH95 TR86 TR90 TMB98 VC88 WS94	---	VC88	ET0 EM0 EA0 BE5	---
Fleming 1985	FL85	7	---	---	---	ET0 EM0 EA0 BE10	---
Forte 2004a	FO04a	4	KO84 MCK93 VC87 VC88	KO58 KO69 KO70 KO81a KO84 KLH83 R79 R83 R86 R94 GI82	VC87 VC88	ET0 EM0 EA1 BE4	Litwin & Stringer 1968; Tagiuri & Litwin 1968
Forte 2004b	FO04b	4	CH95 KO84 KLH83 MCK93 TR86 TN95 VC87 VC88	KO58 KO69 KO70 KO81a KO76 KO84 KLH83 R79 R83 R86 R94 GI82	VC87 VC88	ET0 EM6 EA4 BE26 (professional ethics, as well as dissertations on ethical subjects)	Litwin & Stringer 1968; Tagiuri & Litwin 1968
Freire 2000	FRE00	4	CVB93 CVS89 D97b KO84 VC87 VC88 WS94 WS97a WS97b	KO84	CVB93 CVS89 VC87 VC88	ET0 EM0 EA0 BE2	James & Jones 1974; Schneider 1975; Schneider 1990;
Fritzsche 2000	FRI00	4	CH95 CVB93 D96a D96b KD91 KO81B TBM98 UR95 UR96 VC87 VC88 WS94	KO81B	VC87 VC88 CVB93	ET0 EM1 EA0 BE11	Schneider 1975

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Gaertner 1991	GA91	4	VC88	KO69 R79	VC88	ET0 EM1 EA0 BE2 (EM: Etzioni 1988)	Smircich 1983
Gebler 2006	GE06	7	---	---	---	ET0 EM0 EA0 BE0	---
Goldman & Tabak 2010	GT10	4	AC05 ADL05 CPV03 DS01 FRI00 HA05 JD97 LDG97 MA01a MC06 NMS04 OK02 SAN05 SHI05 SWH08 TH08 UO07 VC87 VC88 WS97b	---	VC87 VC88	ET0 EM0 EA0 BE3	---
Gonzalez-Padron et al 2008	GHC08	7	NMS04	---	---	ET0 EM0 EA0 BE20 (mainly CSR and marketing ethics)	---
Grojean et al 2004	GR04	4	CBVB89 CH95 CSW97 DS01 SK97 SIN93 VC87 VC88 WB87 WE95 WS94	GI82	VC87 VC88 CVS89	ET0 EM1 EA6 BE14 (EM: Rokeach 1973)	Kopelman et al 1990; Lindell & Brandt 2000; Powell & Butterfield 1978; Reichers & Schneider 1990; Rentsch 1990; Rousseau 1990; Schein 1992; Schneider 1975, Schneider 1983; Schneider & Reichers 1983; Zohar 1980
Grover & Enz 2005	GE05	7	AQ98 CPV03 FO04a FRI00 PE02a RR00 SH03 TR86 TMB98 VC88 WES02	KO69	---	ET0 EM0 EA1 BE5	Schneider 1975
Hamric & Blackhall 2007	HB07	6.5	OL95 HA05	---	---	ET0 EM0 EA0 BE6 (including health care ethics)	---
Hart 2004	HA04	6.5	not available; not included	unknown	unknown	unknown	unknown

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Hart 2005	HA05	6.5	OL95 OL98 SK94 WS94	---	---	ET0 EM0 EA0 BE1	---
Herndon 1991	HE91	-	not available; not included	unknown	unknown	unknown	unknown
Herndon, Ferrell, LeClair & Ferrell 1999	HFLF99	-	not available; not included	unknown	unknown	unknown	unknown
Herndon, Fraedrich & Yeh 2001	HFY01	7	HE91 VC88 VD90	KO76 R86	---	ET1 EM1 EA0 BE20	Barney 1996; Swift & Campbell 1998
Higgins 1995	HIG95	1	HPK84 KO70 KO80 KO84 KHS80 PO79 PHK89 PR78	BK75 CK87 KO81 KC84	---	ET0 EM4 EA19 BE0 EM: Dewey; Durkheim	Anderson 1982
Higgins & Gordon 1985/6	HG86	1	KO81b MAC84	KO81b	---	ET1 EM4 EA2 BE0	----
Higgins, Power & Kohlberg 1984	HPK84	1	KSH72 PO79 KO81b SCH73	GI82 KO81a	---	ET1 EM4 EA4 BE0 ET: Frankena EM: Durkheim	---
Hoffman 1998	HO98	7	---	---	---	ET0 EM0 EA0 BE8	Adler 1983; Hofstede 1980; Smirchich 1983; Trompenaars 1993
Høst et al 1998	HB98	1	BH94 HPG84 KO81b KO84 KO86 PHK89	KO85	---	ET0 EM0 EA3 BE0	---
Hoover 2007	HOO07	-	not available; not included	unknown	unknown	unknown	unknown

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Ingram, LaForge & Schwepker 2007	ILS07	6.7	BBR00 BV00 BH98 EAT05 FLF97GR04 MJL06 PE02a SCH01 SG99 SH05 SFI97 TR86 UR96 VAR01 VOP96 VC88 WLC04 WS94 WS94a	KO68 KO69 R86 SN85	---	ET0 EM0 EA2 BE48	Schneider 1975; Schneider & Reichers 1983; Schneider & Rentsch 1988
Jackall 1984	JA84	7	---	---	---	ET0 EM0 EA2 BE5	---
Jaffe & Tsimerman 2005	JT05	4	CPV03 D96a DGJ00 KO84 VC87 VC88 VC90	KO81a KO84	VC87 VC88 VC89 CPV03	ET0 EM0 EA0 BE15 (mainly on business ethics in Russia)	---
Jaramillo, Mulki & Solomon 2006	JMS06	6.7	BBR00 MJL06 SCH01 SH05 SFI97 TBM98 WLC04	---	---	ET0 EM0 EA0 BE11	Schein 1985
Jobim & de Arruda 2004	JDA04	6.4	AN00 BBR00 CVS89 CPV03 FRI00 RE02 SCH01 SFI97 VC88 WS94 WS97b	---	VC88	ET0 EM0 EA0 BE8 (including BE textbooks)	Reichers & Schneider 1990; Schein 1985
Jones, Felps & Bigley 2007	JFB07	6.10	CPV2003 TR90 TW03 VC88	GI82	---	ET0 EM6 EA3 BE20 (EM/EA: Rawls; Mill; Bentham; Hume; Hart; Smith; Walzer)	Barney 1986; Denison 1996; Geertz 1973; Hatch 1993; Kotter & Heskett 1983; Pettigrew 1979; Schein 1985; 1990; Trice & Beyer 1984
Joseph & Deshpande 1997	JD97	4	D97a VC90 KO84	KO67 KO84	VC90	ET0 EM1 EA0 BE1 (Williams 1985)	Schneider 1983
Kaptein 2008	KA08	5.3	AS07 KEY99 PE02a SAN05 TR86 TBM98 VC87 VC88 WE95 WS97a	---	VC87 VC88	ET0 EM3 EA0 BE45 EM: Bovens (1998); Donaldson & Dunfee	Hofstede 1980; Hofstede, Neuijen, Ohayv & Sanders 1990; Schein 1985

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Kaptein 2009	KA09	5.3	KA08 TBM98 VC87 VC88	---	VC87 VC88	ET0 EM1 EA0 BE49 (on ethics codes and training; Solomon 1992)	Deal & Kennedy 1982; Schein 1985/2004;
Keiser & Schulte 2007	KS07	6.8	SC02 SC03	---	---	ET0 EM1 EA2 BE2	Tagiuri 1968 + school climate literature (12)
Keiser & Schulte 2009	KS09	6.8	KS07 SCO2	---	---	ET0 EM0 EA0 BE0	school climate literature (7)
Kelley & Dorsch 1991	KD91	4	VC87 VC88	---	VC87 VC88	ET0 EM0 EA0 BE5 (+ theory on gifts and exchange processes)	Ashforth 1985; Schneider & Reichers 1983
Kennedy, Ferrell & LeClair 2001	KFL01	4	KD91 LOE96 VC87 VC88	---	VC87 VC88	ET0 EM1 EA0 BE17 (EM: Fukuyama 1995) (BE: mainly on trust)	---
Kerns 2003	KE03	7	---	---	---	ET0 EM0 EA0 BE3	---
Key 1999	KEY99	5.2	CVB93 LEM94 NBM93 TR86 TBM98 VC87 VC88	---	---	ET0 EM0 EA0 BE6	Alvesson 1993; Alvesson & Berg 1988; Deal & Kennedy 1982; Glick 1985; Hofstede 1980; Kilmann, Saxton & Serpa, 1985; Ott 1989; Peters & Waterman 1982; Schein 1985
Kim & Miller 2008	KM08	4	JVB93 CVB93 CPV03 D96b DS01 FRI00 JD97 KB01 LDG97 MA03 PE02a SC01 TDN98 UR96 VBB96 VOP96 VC87 VC88	---	VC87 VC88 CVB93 CPV03	ET0 EM0 EA0 BE10	---
Kish-Gephart, Harrison & Treviño 2010	KHT10	4+5.1	AAS07 AM05 AQ98 BS02 BV00 BDB96 BS00 BU05 CPV03 CVB93 D86a DGJ00 DJ08	GI82 KO69 R86 WE90	VC87 VC88 CVB93	ET0 EM20 EA9 E137 (EM consist for the	Kamp & Brooks 1991; Reichers & Schneider 1990;

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
			DSK98 EN93 FM00 FRI00 KA08 LEU08 MC06 MO97 NMS04 OG01 PC05 PE02a SAN05 SH05 SK97 SK94 TR86 TR90 TR92 TN95 VAR01 VC87 VC88 WS94 WS97a			most part of unpublished dissertations on ethics)	
Kitapçi & Elçi 2007	KE07	4	CH98 MA03 SCH01 SFI97 SK94 SK97 TBM98 UR96 VC88 WS94	---	VC88	ET0 EM0 EA0 BE5	Downey, Hellriegel & Slocum 1975; O'Reilly, Chatman & Caldwell 1991; Pritchard & Karasick 1973; Schneider & Rentsch 1988
Koh & Boo 2001	KB01	4	CVB93 D96b JD97 SK94 TR86 VD90	---	CVB93	ET0 EM0 EA0 BE21 (including procedural justice literature)	---
Kohlberg 1970 (1983)	KO70	1	---	BK75	---	ET0 EM5 EA3 BE0 EM: Durkheim, Peters, Dewey, Piaget	---
Kohlberg 1980	KO80	1	KO81b (1979) PO79 RE77	BK75 KO69 R79	---	ET0 EM4 EA6 BE0 EM: Dewey; Rawls Durkheim; Piaget	---
Kohlberg 1981b	KO81b	1	PO79	BK75 KO58 KK69 KO69b KO73 KO76 R79 KG74	---	ET0 EM4 EA2 BE0 (EM: Dewey; Durkheim; Loevinger; Piaget; Rawls)	---
Kohlberg, Scharf & Hickey 1971	KSH71	1	--	CGK83 HPK84 (in the 1994 reprint)	---	ET0 EM0 EA4 BE0	---
Kohlberg, Kauffman et al 1975	KK75	1	-- (no references)	indirectly (no references)	---	ET0 EM0 EA0 BE0 (no references)	--- (no references)

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Kohlberg, Levine & Hewer 1983	KLH83	1	HPK84 KSH71 PR78 PO79 KO81b	CK98 GI82 KO69a KO71 KO73 KO76 KO81a KC84 KB74 BK75 R79 R83 (plus monographs)	---	ET5 EM32 EA45 BE0 (Durkheim; Dewey Kant Hare MacIntyre Mead, Perry, Peters, Piaget, Rawls, Smith Spinoza; Stevenson)	---
Kohlberg 1984 (identical to KLH83)	KO84	1	HPK84 KSH71 PR78 PO79 KO81b	CK98 GI82 KO69a KO71 KO73 KO76 KO81a KC84 KB74 BK75 R79 R83 (plus monographs)	---	ET5 EM32 EA45 BE0 (Durkheim; Dewey Kant Hare MacIntyre Mead, Perry, Peters, Piaget, Rawls, Smith Spinoza; Stevenson	---
Kohlberg 1986a	KO86a	1	KO70 HG86 KO84 PO79	BK75 CK97 KO81a	---	ET0 EM5 EA3 BE0 (EM: Dewey, Peters, Durkheim, Habermas	---
Kohlberg & Higgins 1987	KH87	1	CK87 HPK84 KO70 KO84 KO86a	KO85/86 BK75	---	ET0 EM4 EA01 BE0 EM: Dewey, Mead, Piaget, Durkheim	---
Lavoie & Culbert 1978	LAC78	2	---	KO69a KT73	---	ET0 EM0 EA3 BE0	Jaques 1952
Lemke 1994	LEM94	4	CH93 CVS89 VC88 VC90	---	VC88 VC90	ET0 EM2 EA0 BE4 (EM: Kant and Mills)	Ashforth 1985; Litwin & Stringer 1968; Payne & Pugh 1976; Schneider & Reichers 1983
Lemmergaard 2004	LMG04	4	AM99 AQ98 BH98 CA96/93 CHD95 CH85 CH98 CVB83 DCL97 D96a D96b DGJ00 EN93 GA91 HPK84 HG86 JD97 KK69 LDG97 LO95 LY97 OG00 PP92 PM90 RR91 SK94 SK97 SN93	CK83 GI82 HPK84 KK69 KO71 KO73 KO76 KO81a R79 R86 R94 R99 SN96 WE90	CVB93 VBB96 VC87 VC88 VC90	ET1 EM4 EA15 BE120 (ET: Taylor EM: Piaget; Rawls, Stevenson, Williams)	(selection of important texts) Argyris 1958; Ashkenasy & Jackson 2000; Ashforth 1985; Barney 1986; Deal & Kennedy 1982; Denison 1990, Denison 1996; De Witte & De Cock 1986; Drexler 1977; Ekvall 1987;

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
			SN00 TR86 TN95 TBM98 VBB96 VAR01 VC87 VC88 VC90 WE05 WS94 WS97a WJ97				Friedlander & Margolies; Geertz 1973; Glick 1985; Guion 1973; Halpin & Croft 1962; Hampden-Turner & Trompenaars 1993; Hellriegel & Slocum 1974; Hitt & Zikmund 1977; Hofstede 1980; Hofstede 1991; Hofstede et al 1990; Hofstede & Peterson 2000; James & Jones 1974; James, James & Ashe 1990; Jansen & Von Glinow 1985; Johnston 1976; Joyce & Slocum 1979; Joyce & Slocum 1984; Koys & DeCotiis 1991; Kroeber & Kluckhohn 1952; Lawler, Hall & Oldham 1974; Litwin & Stringer 1968; Ostroff 1993; O'Reilly, Chatman & Caldwell 1991; Ott 1989; Ouchi 1980; Payne, Fineman & Wall 1976; Payne & Mansfield 1973; Payne & Pugh 1976; Peters & Waterman 1982; Pettigrew 1979; Poole 1985; Poole & McPhee 1983; Powell & Butterfield 1978; Pritchard & Karasick 1973; Reichers & Schneider 1990; Sathe 1985; Schein 1985; Schneider 1975, Schneider 1985; Schneider & Hall 1972; Schneider & Reichers 1983; Smircich 1983; Tagiuri & Litwin 1968; Trice & Beyer 1993; Trompenaars, 1993; Wilkins & Ouchi 1983; Zammuto & Krakower 1991; Zohar 1980

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Lemmergaard & Lauridsen 2008	LL08	4	AM99 BH98 CVB93 DCL97 D96a D96b OG01 LMG04 SK97 TBM98 VBB96 VAR01 VC87 VC88 VC90 WE95 WS97a	GI82 KO69 KO71	CVB93 VC87 VC88 VC90	ET0 EM1 EA0 BE4 (EM: Williams 1985)	Ashforth 1985; Ekvall 1987; Glick 1985; Halpin & Croft 1962; Koys & DeCotiis 1991; Hellriegel & Slocum 1974; Hofstede 1991; James & Jones 1974; James, James & Ashe 1990; Lawler, Hall & Oldham 1974; Litwin & Stringer 1968; Ouchi 1980; Payne & Pugh 1976; Powell & Butterfield 1978; Pritchard & Karasick 1973; Schein 1985; Tagiuri & Litwin 1968; Zammuto & Krakower 1991; Zohar 1980
Lending & Slaughter 2001	LS01	4	D96a VC87 WS97b	---	VC87	ET0 EM0 EA0 BE3 (software piracy)	Hofstede 1984
Leung 2008	LEU08	4	ADL05 BS02 CPV03 D96a DDS01 VC87 VC88	---	VC87 VC88	ET0 EM0 EA0 BE5 (+ 19 x organizational citizenship behavior)	Lindell & Brandt 2000 Schneider 1975
Liao & Rupp 2005	LR05	6.6	CNJ02 MM98 NB00	---	---	ET0 EM0 EA0 B30 justice organizational citizenship behavior	Schneider 1975; Schneider 1990; Trice & Beyer 1993
Loch & Conger 1996	LOC96	4	VC88	---	VC88	ET0 EM0 EA1 BE10	---
Loe 1996	LOE96	6.6	not available; not included	unknown	unknown	unknown	unknown
Loe & Ferrell 1997	LOF97	6.6	VC87 VC88 VRS93	---	---	ET0 EM0 EA0 BE7	Downey, Hellriegel & Slocum 1975; Pritchard & Karasick 1973

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Logsdon & Yutas 1997	LY97	2	CH95 RR91 SC93 TR86 VC88	KO69b KO76 KO81a	---	ET0 EM0 EA0 BE29	---
Lovell 1995	LO95	1	EN93	GI82 KO71 KO73 KO81a	---	ET0 EM3 EA2 BE3	---
Luthar, DiBattista & Gautschi 1997	LDG97	7	KO84	KO84 GI82	---	ET0 EM1 EA2 BE26 (partly on teaching business ethics)	---
McDaniel 1997	MD97	7	---	---	---	ET0 EM0 EA2 BE19	Cooke & Rousseau 1988
McKendall & Wagner 1997	MKW97	7	VC88 WB87	---	---	ET0 EM0 EA0 BE19	---
McKenna 1993	MCK93	-	not available; not included	unknown	unknown	unknown	unknown
Mackin 1984	MAC84	1	not available; not included	unknown	unknown	unknown	unknown
Maclagan 1996	ML96	7	LAC78 RR91 SC93 SN93 TR86 VC88	KO69 KO73 KO81a R86 GI82 WE91	---	ET0 EM0 EA3 BE12	---
Maesschalck 2004	MAE04	4	AM99 BBR00 BH98 BS99 BS00 CH95 CVB93 CVS89 D96a DGJ00 EN93 FRI00 KEY99 KO84 MAE04 ME93 NBM93 PC03 SIN93 SK97 SK99 TBM98 TR86 TBM98 UR96 VBB96 VOP96 VC87 VC88 WE95	GI82 KO84 R86 R00	CVB93 VC87 VC88 PC03	ET0 EM2 EA0 BE100 (EM; Baier 1965) (BE: public services and administration ethics)	Ashforth 1985; Denison 1986; Glick 1985; Hofstede 1980, 1998; Hofstede et al 1990; Joyce & Slocum 1984; Kopelman et al 1990; Koys & DeCotiis 1991; Moran & Volkwein 1992; Ouchi 1980; Payne & Mansfield 1973; Payne & Pugh 1976; Schein

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
			WC96 WS94 WS97a WS97b WJ97				1985; Schein 1990; Schneider 1975; Schneider & Reichers 1983
Maesschalck 2005	MAE05	4	AM99 BBR00 BH98 BS99 BS00 CH95 CVB93 D96a DGJ00 EN93 FRI00 MAE04 ME93 PC03 SK99 TBM98 UR96 VBB96 VOP96 VC87 VC88 WE95 WS97a WS97b WC96	---	CVB93 VC87 VC88	ET0 EM0 EA0 BE0	Denison 1986; Glick 1985; Joyce & Slocum 1984; Koys & DeCotiis 1991; Payne & Pugh 1976; Schneider 1975; Schneider & Reichers 1983
Malloy & Taylor 1999	MT99	4	AM99 CVB93 EN93 HPK84 SIN93 TR86 TR90 VC87 VC88 WJ97	HPK84 GI82	CVB83 VC87 VC88	ET0 EM1 EA0 BE10 (partly on sport ethics	Moran & Volkwein 1992; Ouchi 1980; Schein 1985; Schneider & Rentsch 1988.
Malloy & Agarwal 2001a	MA01a	4	AM99 BH98 BS00 CH95 D96a FRI00 HPK84 KO84 MT99 SFI97 SK97 SIN93 T90 UR5 VC87 VC88	HPK84 KO69 KO84	VC87 VC88	ET0 EM1 EA0 BE19	Ouchi 1980; Schein 1985; Schneider 1975
Malloy & Agarwal 2001b	MA01b	4	AM99 BH98 BS00 CH95 DCL97 D96a HPK84 KD91 KO84 LDG97 MT99 SFI97 SK97 SIN93 TBM98 UR95 VC87 VC88 WS97a WJ97	GI82 KO69 KO84	VC87 VC88	ET0 EM0 EA0 BE27	Schneider 1975
Malloy & Agarwal 2003	MA03	4	AM99 AQ98 BH98 BS00 CH95 D96a EN93 HPK84 KD91 KO84 LDG97 NV97 SFI97 SIN93 SK97 TR90 UR95 TBM98VC87 VC88 WJ97	KO69 KO84 GI82	VC87 VC88	ET0 EM0 EA0 BE50	Hofstede 1980; Moran & Volkwein 1991; Ouchi 1980; Schein 1985; Schneider 1975
Malloy, Agarwal & Rasmussen 2008	MAR08	4	AM99 BS02 BS00 DCL97 D96a D96b HPK84 MA01b MA03 PE02a RMA03 TR86 TR90 VAR01 VC87 VC88 WJ97	GI82 KO69	VC87 VC88	ET0 EM2 EA0 BE8 (EM: Kant; Mill)	---

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Maon, Lindgreen & Swaen 2010	MLS10	2	LY97 MG06 RR91 SC93 TFB07 TK07	KO64 KO76	---	ET0 EM1 EA0 BE70 (EM: Etzioni 1988) (BE: mainly CRS/CC)	Cooke & Rousseau 1988; Hatch 1983; Hofstede 1984; Schein 1990
Martin & Cullen 2006	MC06	4	AM99 ADL05 AKS99 BS02 BV00 BS99 BS00 CPV03 CVB93 CVS89 D96a D96b DGJ00 EN93 ESO04 FM00 FO00b FRI00 HFY01 JD97 KD91 KFL01 KB01 KO84 KLH83 LMG04 LC96 MCK93 MO97 NMS04 OK04 PC05 PE02a RP02 SAN05 SH05 SK97 SK04 TBM98 UR96 VS01 VC87 VC88 WE95 WES02 WS94 WS97a WS97b WIN03	KO84 KLH83	VC87 VC88 CVB93	ET0 EM0 EA0 BE11	Field & Abelson 1982; Ostroff 1993; Ouchi 1980; Reichers & Schneider 1990; Schneider 1975
Maul 1979	MAU79	1	not included	not included	not included	not included	not included
Maul 1980	MAU80	1	MAU79	KO69	---	ET0 EM4 EA3 BE0 (EM: Maul, Piaget, Rest)	---
Mayer, Kuenzi & Greenbaum 2009	MKG09	4	AM9 AAS07 AQ98 AS07 BBR00 BV00 BH98 BB04 BS99 BS00 BU05 CH93 CH95 CPV03 CVB93 CVS89 DCL97 D97a D97b DGJ00 DS01 EN93 EAT05 ESO04 FM00 FO04a FO04b FRI00 GHC08 HPK84 HO98 JT05 JMS06 JD97 KA08 KB01 LDG97 MA01b MC06 MKW97 MJL06 NB00 NMS04 NV97 PC05 PE02a PE02b RR00 RB07 RH00 SAN00 SCH01 SG07 SH05	---	CVB93 VBB96 VC87 VC88	ET0 EM1 EA0 BE17 (EM: Williams 1985)	O'Reilly, Chatman & Caldwell 1991; Hofmann et al 2003; Schneider & Reichers 1983; Schneider et al 2002; Zohar 1980

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
			SK94 SK97 TBM98 TN98 UO07 UR96 VBB96 VAR01 VOP96 VC87 VC88 WE95 WES02 WKP03WLCo4 WLC06 WS94 WS97a WS97b WC96 WCL01 J97				
Menzel 1993	ME93	7	VC87 VC88	---	VC87 VC88	ET0 EM0 EA0 BE12	Ashforth 1985; Downey, Hellriegel & Slocum 1975; Lewin, Lippit & White 1939; Pritchard & Karasick 1973; Peters & Waterman 1982; Schneider & Reichers 1983; Schneider 1990; Wilkins & Ouchi 1983
Mirvis & Googins 2006	MG06	2	---	---	---	ET0 EM0 EA0 BE38 (mainly on CC/CSR)	---
Morris et al 2002	MS02	7	AM99 SIM99 SK00 TN95 TR90 VC87	(indirectly viaTreviño & Youngblood 1990)	(partly, VC87)	ET1 EM1 EA0 BE69	---
Morris 1997	MO97	4	VC88	---	VC88	ET0 EM0 EA0 BE7 (plus stakeholder theory and CSR literature)	Ashforth 1985; Glick 1985; Ouchi 1980;
Mossholder, et al 1998	MBM98	6.6	---	---	---	ET0 EM0 EA0 BE21 (fairness/justice/org. citizenship behavior)	---
Mulki, Jaramillo & Locander 2006	MJL06	6.7	BBR00 RH00 SCH01		---	ET0 EM0 EA0 BE16	---

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Mulki, Jaramillo & Locander 2007	MJL07	6.7	ADL05 BBR00 BV00 CPV03 CVS89 GR04 JMS06 KB01 MC06 MJL06 PC03 RH00 SFI97 SCH01 SH05 SAN05 VC88 WLC06WS94	---	---	ET0 EM0 EA0 BE21 (including literature on trust and ethical codes)	---
Mulki, Jaramillo & Locander 2008	MJL08	6.7	BT06 CPV03 DCL97 DS01 EH04 GR04 JMS06 MC06 MJL06 MJL07 PC03 RR91 SCH01 SG07 SH05 VC88 WLC06	---	---	ET0 EM0 EA0 BE20	Hofstede 1980; Schein 1985
Murphy 1989	MUR89	7	---	---	---	ET0 EM0 EA0 BE6	---
Musiime, Ntagy & Samuel 2009	MTS09	7	EBW02 (indirect references: CVB93 KEY99 TR86 VC87 WS97a)	---	VC87 CVB93	ET0 EM0 EA0 BE0 (incomplete and sloppy references	Hofstede 1980; Schulte, Ostroff & Kinicki 2006
Nakhaee Mobasher & Garoosi 2008	NMG08	?	not included	not included	not included	not included	not included
Naumann & Bennett 2000	NB00	6.6	MBM98	---	---	ET0 EM0 EA0 BE10 (justice/organizational citizenship behavior)	Abbey & Dickson 1983; Dansereau & Alutto 1990; Rentsch 1990; Schneider & Reichers 1983
Near , Baucus & Micelli 1993	NBM93	7	---	---	---	ET0 EM0 EA0 BE 21 (mainly on whistle blowing, illegal behavior and organizational dissidence	Hofstede et al 1990; Jones et al 1979; Joyce & Slocum 1982; Micelli & Near 1985; Powell & Butterfield 1978; Riley 1983; Schneider & Reichers 1983; Wilkins & Dyer1988
Nelson & Donnellan 2009	ND09	7	---	---	---	ET0 EM0 EA0 BE2	---

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Neubaum, Mitchell & Schminke2004	NMS04	4	CH98 CVB93 FRI000 KO84 LY97 PE02a VC87 VC88	KO81a KO84	VC87 VC88 CVB93	ET0 EM0 EA0 BE7	---
Newton, Wingreen & Blanton 2004	NWB04	7	BV00 SK94 SK97 VC88	---	---	ET0 EM1 EA0 BE2 (EM: Bonhoeffer)	---
Nwachukwu & Vitell 1997	NV97	7	TR86	KO69 KO81a	---	ET0 EM0 EA0 BE29	Barney 1986; Jansen & Von Glinow 1985; Ouchi 1981
Ogbanna 2002	OG02	?	not available; not included	unknown	unknown	unknown	unknown
O'Grady Harvey 2001	OG01	-	not available; not included	unknown	unknown	unknown	unknown
Okpara 2002	OK02	4	D96a KB01 SK94 VC87 VC88 VC89	---	VC87 VC88 VC90	ET0 EM0 EA0 BE7	---
Okpara & Wynn 2008	OW08	4	D96a D96b DGJ00 ESO04 FO04a KB01 MCK93 OK02 SK94 TBM98 VC87 VC88 VC90	---	VC87 VC88 VC90	ET0 EM0 EA0 BE4	Pritchard & Karasick 1973
Olson 1995	OL95	6.5	CVS89 JD97 SBW91	---	CVS89	ET0 EM0 EA0 BE27 (mainly on nursing and ethics)	Ashforth 1985; Reichers & Schneider 1990; Rousseau 1998; Schneider & Reichers 1983;
Olson 1995d	OL95d	6.5	not available; not included	unknown	unknown	unknown	unknown
Olson 1998	OL98	6.5	CVS89 JD97 D96a OL95 OL95d SK94 SBW91 SK97 VC87 VC88 WS94 WS97b WJ97	---	VC87 VC88 CVS89	ET0 EM0 EA0 BE29 (mainly on nursing and ethics)	Schneider 1990; Zohar 1980

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Olson 2002	OL02	6.5	OL98	---	---	ET0 EM0 EA0 BE0	Schneider 1990
Oracle Financial Services 2009	OR09	7	---	---	---	ET0 EM0 EA0 BE0	---
Parboteeah & Cullen 2003	PC03	4	JD97 KO84 VC87 VC88 WE95 WS94 WS97b	KO67 KO74	CVB93 VC87 VC88	ET0 EM1 EA1 BE2	Schneider 1983; Schneider 1985
Parboteeah, Cullen, Victor & Sakano 2005	PC05	4	BS99 CPV03 CVB93 CVS89 SN00 VC88 VC87 WJ97	---	VC87 VC88 CPV03 CVB93 CVS89	ET0 EM0 EA0 BE11	Adler 1983; Denison 1996; Glick 1985; Hofstede 2001; Hofstede, Neuijen, Ohavy & Sanders 1990; Ott 1989; Rousseau 1988; Trompenaars 1994
Parboteeah & Kapp 2008	PB08	4	CPV03 CVB93 CVS89 MC06 PC05 VC87 VC88	---	CH98 CVB93 CVS89 VC87 VC88	ET0 EM0 EA0 BE1	Brown & Leigh 1996; Hofmann, Morgeson & Gerras 2003; Schneider 1990; Zohar 1980 and other literature on safety climate
Pareek 1992/1994	PA94	6.9	---	---	---	ET0 EM0 EA0 BE0	---
Peterson 2002a	PE02a	4	CH98 CVB93 CVS89 D97a DGJ00 FRI00 TBM98 UR96 VBB96 VC87 VC88 WE95 WS94 WS97b	KO81a	VC87 VC88	ET0 EM0 EA0 BE4	Kotter & Heskett 1992
Peterson 2002b	PE02b	4	CH98 CVB93 DGJ00 FRI00 TR86 TBM98 VAR01 VBB96 VC87 VC88 WE95 WS94 WS97b	KO81a	CBV93 VBB96 VC87 VC88	ET0 EM0 EA1 BE9 (Blasi 1980)(including literature on deviant working place behavior)	Reichers & Schneider 1990; Turnipseed 1988

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Petrick & Manning 1990	PM90	2	---	KO71/69	---	ET0 EM0 EA0 BE8	Deal & Kennedy 1982; Peters & Waterman 1982;
Petrick & Pullins 1992	PP92	2	MUR89 PM90 TR86 VC88	WE90 WE91	VC88	ET0 EM1 EA0 BE10 (EM: Jackall 1988)	---
Petrick & Wagley 1992	PW92	2	CA93/89PM90 VC88	GI82 KO81a	VC88	ET0 EM2 EA0 BE35 (EM: Jackall 1988; Rawls 1971)	Glick 1985; Kets de Vries & Miller 1984; Kets de Vries & Miller 1987
Power 1979	PO79	1	not available; not included	not included	not included	not included	not included
Power 1986	PO86	1	PR78 RP80 KO80	R71	---	ET0 EM1 EA4 BE0	---
Power, Higgins & Kohlberg 1989	PHK89	1	HPK84 KO70 KO80 KO84 KO85 KSH91 PR78 PO79 PO85 RE77 RP80 SCH73	BK75 CK87 GI82 KO69 KO76 KO81a KO84 KC84 R79	---	ET0 EM23 EA49 BE0 EM: Dewey, Piaget Durkheim, Rawls	Anderson 1982; Tagiuri1968
Power & Makogon 1995	PM95	1	KO80 PHK89 PR78	GI82	---	ET0 EM3 EA3 BE0 EM: Dewey; Durkheim, Piaget	---
Power & Reimer 1978	PR78	1	KO83/70 KSH71 RE77 SCH73	BK75 R76	---	ET0 EM1 EA6 BE0 EM: Durkheim	---
Rasmussen, Malloy & Agarwal 2003	RMA03	4	AM99 BDB96 BH98 BS00 CH95 MA01b SFI97 SIN93 VC87 VC88	---	VC87 VC88	ET0 EM0 EA0 BE5	Schneider 1975
Rego 2002	RE02	4	CVB93 CVS89 OL95 SK84 SK97 VC87 VC88 VC89 WS94	---	VC87 VC88 VC89 CVB93 CVS89	ET0 EM0 EA0 BE26 (including 23 titles on organizational citizenship	Dansereau & Aluto 1990; Glick 1985; Hofstede 1980; James et al 1978; James & Jones 1974; Jones

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
						behavior)	& James 1979; O'Reilly, Chatman & Caldwell 1991.
Reidenbach & Robin 1991	RR91	2	TR86 VC88	KO64 KO76	VC88	ET0 EM0 EA0 BE13	Deal & Kennedy 1982 Sathe 1985
Reimer 1977	RE77	1	not available; not included	not included	not included	not included	not included
Reimer & Power 1980	RP80	1	PO79 PR78 RE77 SCH73	KO69b KO71b KT73	---	ET0 EM4 EA1 BE0 (EM: Piaget; Dewey)	---
Rosenblatt & Peled 2002	RP02	4	BS99 D96a JD97 VC88	---	VC88	ET0 EM1 EA0 BE4	Chelte et al 1989, Maxwell & Thomas 1991; Payne 2000, Schneider 1975.
Ross & Robertson 2000	RR00	7	TR86 TR90	---	---	ET0 EM2 EA0 BE33	---
Rothwell & Baldwin 2006	RB06	4	see RB07	KO84	VC87 VC88	ET0 EM0 EA0 BE36	---
Rothwell & Baldwin 2007	RB07	4	BV00 BH98 BK01 BS00 CVB93 D96a DGJ00 EN93 ESO04 FM00 FO04b FRI00 KD91 KO84 PE02a PE02b RR00 TR86 VOP96 VAR01 VC87 VC88 WS94 WS97b WC96	KO84	VC87 VC88	ET0 EM0 EA0 BE36 (mainly on whistle-blowing and police ethics)	---
Roy 2009	ROY09	4	TR86 VC87 VC88 WE95 WC96	KO81B R86	VC87 VC88	information not available	Schneider 1975

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Ruppel & Harrington 2000	RH00	4	CSW97 CH93 CH95 CVB93 UR96 VC88 WS94 WJ97	---	VC88	ET0 EM0 EA0 BE23 (mainly on trust in organizations)	Rentsch 1990; Sackmann 1992; Zammuto & Krakower 1991
Sagnak 1999	SAG99	-	not available; not included	unknown	unknown	unknown	unknown
Saini & Martin 2009	SM09	4	CPB03 FM00 VC87 VC88	---	VC87 VC88	ET0 EM0 EA0 BE3	---
Scharf 1971	SCH71	1	---	no direct references	---	ET0 EM0 EA0 BE0	---
Scharf 1973	SCH73	1	not available; not included	unknown	unknown	unknown	unknown
Schluter et al 2008	SWH08	6.5	JD97 OL95 OL98 HB07 HA05 SHI05 CM05	---	---	ET0 EM0 EA0 BE21 (moral sensitivity and moral distress)	---
Schminke, Ambrose & Neubaum2005	SAN05	4	AM99 BV00 BS00 CVB93 DGJ00 DS01 FRI00 KB01 KO84 LY97 PE02a SB02 TR86 TR98 TMC98 VC 88 VC90 WS97b	KO81a KO84 GI82 R83 R86, R94 R99	VC88 VC90 CVB93	ET0 EM0 EA8 BE25	O'Reilly, Chatman & Caldwell 1991; Reichers & Schneider 1990; Rousseau 1985; Schein 1985; Schneider et al 2002
Schminke, Arnaud & Kuenzi 2007	SAK07	4	AS07 KO84	KO81a KO84 R86 R94	--- (ethical climate index)	ET0 EM0 EA0 BE3	---
Schnake et al 2005	SDF05	7	PE02b SC01a SC01b WS97b	---	---	ET0 EM0 EA0 BE4 (student ethics)	---

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Schrader 2004	SCH04	1	PHK89	BK75	---	ET0 EM6 EA9 BE0 EM: Perry; Piaget	---
Schulte, Brown & Wise 1991	SBW91	6.8	---	indirect references to Kohlbergian theory	---	ET0 EM1 EA0 BE10 (educational ethics)	---
Schulte 2001	SC01a	6.8	unknown	--- (indirectly)	---	unknown (but probably much like SC01b)	unknown (but probably much like SC01b)
Schulte et al 2001	SC01b	6.8	SBW91 SC01a	--- (indirectly)	---	ET0 EM0 EA1 BE7	literature on school campus climate
Schulte et al 2002	SC02	6.8	SC01a SC01b	--- (indirectly)	---	ET0 EM0 EA1 BE4 (educational ethics)	school climate literature (11)
Schulte et al 2003	SC03	6.8	SC01a SC01b SC02	--- (indirectly)	---	ET0 EM0 EA4 BE1	school climate /community literature (8)
Schwepker 2001	SCH01	6.7	BH98 D96b JD97 SFI97 SK94 SK97 TR86 VOP96 VC88 VD90 WS94 WS97b	---	---	ET0 EM0 EA0 BE18	Deal & Kennedy 1982; Downie, Hellriegel & Slocum 1975; Qualls & Puto 1989;Friedlander & Margolies 1969; Pritchard & Karasick; Schein 1985; Schneider 1975; Schneider & Reichers 1983; Schneider & Rentsch 1988; Schneider & Snyder 1975; Zohar 1980
Schwepker, Ferrell & Ingram 1997	SFI97	6.7	TR86 VC88 WS94	---	---	ET0 EM0 EA0 BE26	Enz 1986; O'Reilly, Chatman & Caldwell 1991; Qualls & Puto 1989; Schneider 1975; Schneider & Rentsch 1988

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Schwepker & Good 1999	SG99	6.7	SFI97 TR86 UR96 WS94	---	---	ET0 EM0 EA0 BE19	Schneider 1975; Schneider & Reichers 1983; Schneider & Rentsch 1988; Zohar 1980
Schwepker & Good 2007	SG07	6.7	BH98 MJL06 PE02a SCH01 SFI97 TR86 UR96 VAR01 VOP96 VC88 WLC04 WLC06 WS94 WS97a	---	---	ET0 EM0 EA0 BE34	Qualls & Puto 1989; Schneider 1975; Schneider & Reichers 1983; Schneider & Rentsch 1988
Schwepker & Hartline 2005	SH05	6.7	BBR00 BV00 LOF97 SCH00 SFI97 SK94 TR86 TBM98 VAR01 VC88 VD90 WS94	---	---	ET0 EM0 EA0 BE28	O'Reilly, Chatman & Caldwell 1991; Qualls & Puto 1989; Schneider & Reichers 1983; Schneider & Rentsch 1988
Seligson & Choi 2006	S&C06	7	---	---	---	ET0 EM0 EA0 BE0	---
Shafer 2008	SH08	4	CVB93 DDS01 GE06 MC06 ST02 TR86 TBM98 VC87 VC88 WA04	KO81a	VC87 VC88	ET0 EM0 EA0 BE13	Schneider 1975; Smircich 1983;
Shafer 2009	SH09	4	CPV03 CVB93 MC06 PC05 SAM05 SH08 ST02 TR86 TBM98 VC87 VC88		VC87 VC88 CVB93	ET0 EM0 EA0 BE16	O'Reilly, Chatman & Caldwell 1991; Schneider 1975; Smircich 1983
Shapira-Lishchinsky & Rosenblatt '10	SLR10	4	ADL05 CNJ02 CPV03 KD91 PE02a RP02 TBM98 UR96 VAR01 VC87 VC88 WS94	---	VC87 VC88	ET0 EM0 EA0 BE3	Brown & Leigh 1996
Shirey 2005	SHI05	6.5	BO03 CPV03 JD97 MD97 OL95 OL98 OL02 VC87	---	---	ET0 EM0 EA0 BE24 (health care and nursing ethics)	---
Silverman 2000	SIL00	7	VC88 TR86	---	---	ET0 EM0 EA0 BE20 (partly medical/health care/bioethics	Cooke & Rousseau 1988; Heskett & Kotter 1992; Rousseau 1998

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Sims & Kroeck 1994	SK94	4	KO84 VC88	KO84	VC88	ET0 EM0 EA0 BE0	Downey, Hellriegel & Slocum 1975; Joyce & Slocum 1982; Joyce & Slocum 1984
Sims & Keon 1997	SK97	4	KO84 SK94 VC88	KO84 R79	VC88	ET0 EM0 EA2 BE6 (employee theft and honesty)	---
Sims 1992	SIM92	4	TR86 VC87 (used but not mentioned)	---	uses VC typology without reference	ET0 EM0 EA1 BE23	Jansen & Von Glinow 1985; Schneider & Rentsch 1991
Sims & Brinkmann 2002	SB02	4	CA93 CSW97 GA91 RR91 TN95 VC8	---	VC88	ET0 EM0 EA0 BE20	Schein 1985
Sinclair 1993	SIN93	7	MUR89 RR91	---	---	ET0 EM0 EA0 BE16	Deal & Kenney 1982; Denison 1990; Hofstede et al 1990; Killman et al 1985; Martin & Siehl 1983; Peters & Waterman 1982; Pettigrew 1979; Schein 1985; Smirchich 1983; Van Maanen & Barley 1984; Whyte 1956; Wilkins & Ouchi 1983
Singhapakdi 1993	SIP93	7	TR86	KO81a	---	ET0 EM0 EA0 BE21 (mainly marketing ethics)	---
Small 2006	SMA06	7	---	---	---	ET2 EM1 EA0 BE4 Rawls military ethics	---

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Smith 2006	SMI06	7	VC88 CVB89 TBM98	---	---	ET0 EM0 EA0 BE3	---
Smith, Thompson & Iacovou 2009	STI09	4	CVB93 FM02 FRI00 RH00 VBB96 VAR01 VC87 VC88 WS94 WS97a WS97b	---	VC87 VC88 CVB93 VBB96	ET0 EM0 EA0 BE2	Denison 1996; Tagiuri & Litwin 1968
Snell 1993	SN93	3	CVS89 DW1977 KO73 KO84 KO86b KLH83 LAC78 PW72 RR91 VC88	G77 G79 GI82 KO69 KO73 KO81a KO84 KO86b KLH83 WE91	---	ET2 EM12 EA1 BE20 (EM: including Kant, Rawls, MacIntyre, Nietzsche)	Harrison 1972; Linstead 1991; Young 1989
Snell 2000	SN00	3	CH93 C95 D96a EN83 HG86 JA84 KO84 KO85 KO86a KH87 KR90 KSH72 LAC78 LO95 ML96 PW92 SCH71 SN93 SCT96 TR96 TR92 TR95 VC87 VC88 WS94	GI82 KO69 KO81a KO84 KO85 KO86a KH87 KR90 KSH72 WE91	---	ET3 EM5 EA2 BE55	Hofstede 1980
Snell 2001	SN01	3	HI91 KH87 KR90 SN93	GI82 SN93	---	ET0 EM8 EA2 BE12	Cook & Yanov 1993
Snell, Chak & Taylor 1996	SCT96	3	EN93 HG86 JA84 LAC78 PW92 SN93 TR92	CK83 CK87 EN93 EW94 FTF94 KO81a KR90 R79 WE90 WE91	---	ET0 EM1 EA5 BE6	---
Snell et al 1999	STC99	3	CH93 CH95 CVS89 DCL97 D96a D96b EN93 HG86 HPK84 JA84 KO84 KSH72 LAC78 LO95 LY97 ML96 PW92 SK97 SN93 SN00 SCT96 VC87 VC88 WS94 WS97a	EN93 FTF94 KO69 KO81a KO84 KR90 WE91	---	ET0 EM0 EA1 BE2 (see also moral climate genealogy references and relation to CMD)	---

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Snell & Tseng 2001	ST01	3	SN00 STC99	DI82 SN00	---	ET0 EM3 EA2 BE17	Feldman 1998
Snell & Tseng 2002	ST02	3	SN00 STC99	DI82 SN00	---	ET0 EM3 EA2 BE17	Feldman 1998
Sridhar & Camburn 1993	SC93	2	KLH83	GI82 KO69b KO81a KLH83	---	ET0 EM2 EA1 BE8 (EM: Piaget; Rokeach)	Smircich 1983
Stewart et al 2010	SV10	7	JMS06 KB01 MC06 MJL08 SCH01 TH08 VC88 WCL06	CK83 KO69	VC88	ET0 EM0 EA0 BE8	Kopelman, Brief & Guzzo 1990; O'Reilly, Chatham & Caldwell 1991; Ostroff et al 2003;
Stone & Henry 2003	SH03	4	LOC96 TR86 VC87 VC88 WJ97	KO81a	VC87 VC88	ET0 EM0 EA1 BE5 (computer ethics)	--
Stoner 1989	STO89	7	JA83/84	---	---	ET0 EM0 EA0 BE5	Argyris & Schön 1978; Deal & Kennedy 1982; Schein 1985; Siehl & Martin 1984 ; Sathe 198
Sweeney, Arnold & Pierce 2010	SAP10	7	DDS01 TBM98	KO69 R79 R94	---	ET0 EM0 EA0 BE68 (moral intensity; accountancy ethics)	---
Taylor & Walker 1997	TW97	1	PHK89 KO70/83 KH87	BK75 CK87 KO84	---	ET0 EM2 EA27 BE0 EM: Piaget; EA: moral reasoning development	---
Teen, Teo & Lander 2009	TTL09	7	KB01	---	---	ET0 EM0 EA0 BE1	---
Tenbrunsel, Smith-Crowe & Umphress	TSU03	7	CH93 CH95 CNJ02 DS01 NB00 TR86 TR90 TBM98 VC87 VC88	---	---	ET0 EM3 EA0 BE14 (EM: Kant, Mill, Rawls)	Ashkanasy, Wilderom & Peterson 2000; Denison 1996; James, James & Ashe 1990;

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
2003							Joyce & Slocum 1984; Rousseau 1985; Rousseau 1990; Schneider 1975; Schneider 1990; Schneider & Reichers 1983; Zohar 1980
Treviño 1986	TR86	5.1	CGK80 CK83 HG86 HPK84 KC84	KO69 KC84 KK69 KT73 R79 R84	---	ET0 EM2 EA4 BE24	Deal & Kennedy 1982; Smirchich 1983
Treviño 1990	TR90	5.1	TR86 VC88	KO69	---	ET0 EM0 EA3 BE28	Barrett 1984; Deal & Kennedy 1982; Jansen & Von Glinow 1985; Martin & Siehl 1983; Pettigree 1979; Smirchich 1983; Schein 1985; Wilkins 1983
Treviño 1992	TR92	5.1	HG86 HPK84 KC84 KK69 KLH83 KT73 PHK89 TR8690	CK87 CK83 HPK84 KO69 KO81a KC84 KG74 KK69 KT73 KLH83 PHK89 R79 R83 R86 SN85 WE90	---	ET0 EM3 EA33 BE9 EA: CMD research literature EM: Durkheim, Piaget	---
Treviño, Butterfield & McCabe 1998	TBM98	4+5.1	CH93 CH95 CVB93 GA91 TR86 TR90 VC87 VC88 WE95 WS95	---	VC87 VC88 CVB93	ET0 EM0 EA0 BE12	Deal & Kennedy 1982; Denison 1996; Kopelman et al 1990; Martin & Siehl Pettigrew 1990; Pritchard & Karasik 1973; Schneider 1975; Schneider 1983; Schneider & Reichers 1983: Smirchich 1983
Treviño & Nelson 1995	TN95	5.1	MUR89 TR90 TR86	KO69 R86	---	ET0 EM1 EA0 BE23 (EM: Milgram)	Barrett 1984; Deal & Kennedy 1982; Jansen & Von Glinow 1985; Martin & Siehl 1983; Pettigrew 1979; Smirchich 1983; Schein 1985; Wilkins 1983

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Treviño & Nelson 2007	TN07	5.1	TR86 MUR89 SAN05 VC88	GI82 KO69 R86	---	ET0 EM1 EA0 BE35 (EM: Milgram)	Barrett 1984; Deal & Kennedy 1982; Jansen & Von Glinow 1985; Martin & Siehl 1983; Pettigrew 1979; Smirchich 1983; Schein 1985; Wilkins 1983
Treviño & Weaver 2003	TW03	4+5.1	CH93 CH95 CVB93 GA91 *MUR95* TR86 TR90 *VAR01* VC87 VC88 WE95 WS95	---	VC87 VC88 CVB93	ET0 EM0 EA0 BE9	Deal & Kennedy 1982; Denison 1996; Kopelman et al 1990; Martin & Siehl 1983; Pettigrew 1990; Schneider 1975; Smirchich 1983
Tsahuridu 2004	TS04	4	WS97a WS97b BV00 VC87 VC88 DS01 CVB89	---	VC87 VC88 CVB89	ET0 EM0 EA0 BE6	Ouchi 1980
Tsai & Huang 2008	TH08	4	CPV03 D96b ESO04 JD97 KB01 KO84 MC06 SCH01 SFI97 SIN93 TN95 TBM98 VC87 VC88 WS94	KO84	VC87 VC88 CPV03	ET0 EM0 EA0 BE13	Schneider 1983
Ulrich et al 2007	UO07	6.5	CM05 HA04 HA05 OL98 SHI05	---	---	ET0 EM0 EA0 BE16 (BE: health care ethics)	---
Upchurch 1993	UP93	-	not available; not included	not included	not included	not included	not included
Upchurch & Ruhland 1995	UR95	4	KO84 EL89 VC87 VC88	KO69 KO84	VC87 VC88	ET0 EM1 EA3 BE9 (Haan, Aerts & Cooper 1985)	Schein 1985; Schneider 1983
Upchurch & Ruhland 1996	UR96	4	KO84 RR91 VC87 VC88	KO69 KO84	VC87 VC88	ET0 EM2 EA4 BE10 (Haan, Aerts & Cooper 1985; Maclagan 1992)	Deal & Kennedy 1982; Schein 1985; Schneider 1975; Schneider 1983

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Upchurch 1998	UP98	4	EL89 KO84 TR86 UP93 VC87 VC88 CBV93	KO69 KO84	VC87 VC88	ET0 EM0 EA3 BE9	Schein 1985; Schneider 1975; Schneider 1983
Vaicys, Barnett & Brown 1996	VBB96	4	CVB93 TBM95 VC87 VC88	KO81a	VC87 VC88 CVB93	ET0 EM0 EA0 BE0	---
VanSandt 2001	VS01	4	AM99 BBR00 BS00 CH95 CVB93 CVS89 DCL97 D96a D96b FRI00 KEY99 KO84 LY97 DLG97 SK97 SFI97 TR90 TBM98 VC87 VC88 WE95 WS94 WS97ab WJ97	GI82 KO73 KO81a KO84 R79 R86 R94 R99	VC87 VC89 CVB93	ET1 EM19 EA11 BE31 (including texts on moral awareness, and of Durkheim, Hume, Kant, Smith, Nussbaum, and Weber)	Deal & Kennedy 1982; Denison 1996; Field & Abelson 1982; Guion 1973; Hellriegel & Slocum 1974; James & Jones 1974; Johannesson 1973; Jones & James 1979; Joyce & Slocum 1979; Joyce & Slocum 1984; Litwin & Stringer 1968; Payne & Pugh 1976; Pettigrew 1990; Powell & Butterfield 1978; Reichers & Schneider 1990; Schein 1985; Schneider 1975; Schneider 1983; Schneider 1985; Schneider & Reichers 1983; Tagiuri 1968; Woodman & King 1978
VanSandt, Shepard & Zappe 2006	VSZ06	4	AM99 CH 95 CVB93 CVS89 DCL97 D96a D96b FRI00 GA91 KO84 LDG97 LY97 PE02a SK97 TBM98 VC87 VC88 WS97ab WJ97	GI82 KO73 KO81a KO84 R86 R94 R99	VC87 VC89 CVB93	ET22 EM12 EA10 BE25 (including texts on moral awareness, and of Durkheim, Hume, Kant, and Smith)	Deal & Kennedy 1982; Field & Abelson 1982; James & Jones 1974; Joyce & Slocum 1979, 1984; Reichers & Schneider 1990; Schneider 1983; Schneider & Reichers 1983
Vardi 2001	VAR01	4	CVS89 PM90 SK97 TR86 VC87 VC88 WS94 WS97b KO84	KO84	CVB89 VC87 VC88	ET0 EM0 EA0 BE20 (mainly on unethical, antisocial and dysfunctional behavior)	Ashforth 1985; Friedlander & Margolies 1969; Hellriegel & Slocum 1974; Isaac 1993; Joyce & Slocum 1984; Litwin & Stringer 1968; Moran &

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
							Volkwein 1992; Ostroff 1993; Pritchard & Karasick 1973; Reichers & Schneider 1990; Schein 1985/1991; Schneider 1972; Schneider 1975; Schneider & Hall 1972; Schneider & Rentsch 1988; Trice & Beyer 1993; Turnipseed 1988
Venezia & Gallano 2008	VG08	4	AS06 CH95 CVB93 PC05 VS01 VAR01 VC87 VC88 WC96 WOB06	---	CVB93 VC87 VC88	ET0 EM0 EA0 BE3	---
Verbeke, Ouwerkerk & Peelen 1996	VOP96	7	HPK84 SIP93 VC88	KO69 HPK94	---	ET0 EM1 EA1 BE16	Dansereau & Aluto 1990; Hofstede 1991; Rentsch 1990
Verbos et al 2007	VGF07	7	CL98 D96b DS01 FO04b GR04 LY97 ML96 RR91 SAN05 SIM92 SB02 SIN93 VC87 VC88	CK87 GI82 R94	---	ET0 EM1 EA0 BE38	Jansen & Von Glinow 1985; Schein 2004;
Verschoor 2004	VER04	7	---	---	---	ET0 EM0 EA0 BE0	---
Verschoor 2005	VER05	7	---	---	---	ET0 EM0 EA0 BE2	---
Victor & Cullen 1987	VC87	4	---	GI82 KO81a	---	ET1 EM1 EA0 BE4 (EM: Piaget; Williams 1985)	Ashforth 1985; Downey, Hellriegel & Slocum 1975; Field & Abelson 1982; James & Jones 1974; Johannesson 1973; Joyce & Slocum 1979; Pritchard & Karasick 1973; Schneider 1975; Schneider 1983; Schneider & Reichers 1983; Smirchich 1983; Taylor 1972; Woodman & King

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
							1978; Zohar 1980
Victor & Cullen 1988	VC88	4	KO84 VC87 HPK84	GI82 KO67 KO69 KO84	VC87	ET1 EM2 EA3 BE5 (ET: Haan, Aerts & Cooper; EM: Williams 1985)	Ashforth 1985; Deal & Kennedy 1982; Downey et al 1975; Drexler 1977; Field & Abelson 1982; Guion 1973; Howe 1977; James & Jones 1974; Johannesson 1973; Joyce & Slocum 1979; Ouchi 1980; Peters & Waterman 1982; Pritchard & Karasick 1973; Schneider 1975; Schneider , 1983; Schneider & Reichers 1983; Schneider & Snyder 1975; Smirchich 1983
Victor & Cullen 1990 (reprint VC87)	VC90	4	---	GI82 KO81a	---	ET1 EM1 EA0 BE4 (EM: Piaget; Williams 1985)	see VC87
Vitell & Davis 1990	VD90	7	---	---	---	ET0 EM0 EA0 BE10 (marketing ethics; computer ethics	---
Vitell et al 1993	VRS93	7	---	---	---	ET0 EM0 EA1 BE17 (marketing ethics)	---
Waring 04a	WA04a	7	---	---	---	ET0 EM0 EA0 BE4	---
Waring 04b	WA04b	7	---	---	---	ET0 EM0 EA0 BE0	---

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Waters & Bird 1987	WB87	7	---	---	---	ET0 EM0 EA1 BE3 (EA: Habermas)	Mintzberg 1979
Webber 2007	WEB07	4	VC87 VC88 CBV93 AM99 ADM05 HPK84 CPV03 MC06 D96b OK04 VAR01 PE02a MA01MA03	HPK84 KO69	VC87 VC88 CBV93	ET1 EM1 EA0 BE14 (mainly on information and librarianship ethics; EM: Rawls1971	Reichers & Schneider 1990; Schneider & Reichers 1983; Schneider 1983
Weber 1995	WE95	4	CVS89 TR86 TR90 VC87 VC88	KO81a	VC87 VC88 CVS89	ET0 EM0 EA0 BE9	Smircich 1983; Schein 1985
Weber & Seger 2002	WES02	4	BH98 BS99 DCL97 D96a TR86 TBM98 VC87 VC88 CH98 WE95 WS94 WS87a WS97b WJ 97	---	VC87 VC88	ET0 EM0 EA0 BE4	Deal & Kennedy 1982; Schneider 1975
Weber, Kurke & Pentico 2003	WKP03	4	BS00 CK87 CVB93 EN93 GA81 KO84 LY97 PE02a TBM98 VC87 VC88 WE95 WES02	CK87 KO81a KO84	CVB93 VC87 VC88	ET0 EM0 EA1 BE18 (including texts on illegality and stealing)	---
Weber & Gerde 2010	WG10	4	AM99 BS02 BV00 BS99 BS00 CPB03 CVB93 DU04 EA09 MC06 PC05 PE02a TBM99 VBB96 VSZ06 VAR01 VC87 VC88 WE95 WKP03 WS02		VC87 VC88 CPV03 CVB93	ET0 EM0 EA0 BE9	Adler 1983
Weeks, Loe, Chonko & Wakefield 2004	WLC04	6.7	AQ98 BBR00 BV00 CPV03 FRI00 KD91 LOE96P PE02a SCH01 SFI97 SK94 TR86 VOP96 VC87 VC88 VC90 VD90 WS94 WS97a WJ97	R86	---	ET0 EM0 EA0 BE35	Schneider 1975; Schneider & Rentsch 1975

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Weeks, Loe, Chonko,et al 2006	WLC06	6.7	BBR00 D96a FO04b HFY01 KO69 KO84 SCH01 TR86 VOP96 VC87 VC88 VC90 WLC06 WS94	KO69 KO84 SN85	---	ET0 EM1 EA3 BE12 (EM: Williams 1985)	Hofstede 1980; Schneider 1975
Wimbush 1991	WIM91	4	not available; not included	unknown	unknown	unknown	unknown
Wimbush & Shepard 1991	WS91	4	CVS89 KO84 TR86 VC87	GI82 CK83	VC87 VC88	ET0 EM1 EA0 BE16	Dansereau & Markham 1987; Field & Abelson 1982; Fleishman 1953; Glick 1985; James & Jones 1984; Jones & James 1979; Joyce & Slocum 1984; Litwin & Stringer 1968; Powell & Butterfield 1978; Rousseau 1985; Schein 1985; Schneider 1975; Schneider & Reichers 1983; Siehl & Martin 1988; Zohar 1980
Wimbush & Shepard 1994	WS94	4	CVS89 KO84	KO84	VC87 VC88	ET0 EM1 EA0 BE11	Dansereau & Markham 1987; Field & Abelson 1982; Fleishman 1953; Glick 1985; James & Jones 1984; Jones & James 1979; Joyce & Slocum 1984; Litwin & Stringer 1968; Powell & Butterfield 1978; Rousseau 1985; Schein 1985; Schneider 1975; Schneider & Reichers 1983; Zohar 1980
Wimbush et al 1997a	WS97a	4	CVS89 KO84 TR86 VC87 VC88 WS91 WS94	CK83 GI82 KO84	VC87 VC88	ET0 EM0 EA0 BE4	Dansereau & Markham 1987; Fleishman 1953; Glick 1985; James & Jones 1984; Jones & James 1979; Joyce & Slocum

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
							1984; Ouchi 1980; Powell & Butterfield 1978; Rousseau 1985; Schein 1985; Schneider 1975
Wimbush et al 1997b	WS97b	4	CVS89 KO84 TR86 VC87 VC88 WS94	CK83 GI82 KO84	VC87 VC88	ET0 EM0 EA0 BE2	Dansereau & Markham 1987; Fleishman 1953; Glick 1985; James & Jones 1984; Jones & James 1979; Joyce & Slocum 1984; Powell & Butterfield 1978; Rousseau 1985; Schein 1985; Schneider 1975
Wingreen 2003	WIN03	7	not available; not included	unknown	unknown	unknown	unknown
Wittmer & Coursey 1996	WC96	4	CH93 VC87 VC88	---	VC87 VC88	ET0 EM0 EA0 BE5	Pritchard & Karasick 1973; Schneider 1975, Schneider 1983
Wong 2005	WO05	4	CPV03 CVB93 DS01FRI00 KB01 KO84 NB00 NMS04 PE02a PE02b SCH01 SH05 TBM98 VAR01 VC87 VC88 WE95 WLC04 WS97a	KO81a KO84	CVB93 VC87 VC88	ET0 EM1 EA1 BE21 (BE: justice theory EM: Williams 1985)	Carr et al 2003; Denison 1990; Hellriegel & Slocum 1974; Hofstede 1980; James & Jones 1974; Kopelman, Brief & Guzzo; 1990; Littwin & Stringer 1968; Ostroff 1993; Ostroff, Kinicki & Tamkins 2003; Reichers & Schneider 1990; Schneider 1975; Tagiuri & Litwin 1968
Woodbine 2006	WOB06	4	VC87 VC88WES02 D96b DGJ00 FRI00 CVB93 CPV03 KO84	KO69 KO84	VC88 VC90	ET0 EM0 EA0 BE6	---
Woodstock Theological Center 1990	WO90	6.1	---	---	---	ET0 EM0 EA0 BE0	---

reference	code	section	moral climate genealogy references	relation to CMD (Kohlberg/ Rest)	use of typology/ ECQ of V&C	general and business ethics theory	climate and culture theory
Wotruba, Chonko & Loe 2001	WCL01	6.7	CH93 VC87 TR90 SFI97 VRS93	---	---	ET0 EM0 EA0 BE29 (mainly on codes of ethics)	Qualls & Puto 1989
Wyld & Jones 1997	WJ97	4	KO84 TR86 VC87 VC88 WB87	KO84	VC87 VC88	ET0 EM0 EA0 BE12	Deal & Kenney 1982; Downey, Hellriegel & Slocum 1975; Field & Abelson 1982; James & Jones 1974; Zohar 1980
Zipparo 2000	ZIP00	7	CSW97	---	---	ET1 EM0 EA0 BE12	---

APPENDIX 3 Summary descriptions of research characteristics

This appendix presents summary descriptions of about three hundred contributions to moral climate theory including an overview of the type of variable moral climate (and similar terms). As was discussed in chapter 2, moral climate can be the dependent variable, the independent variable, or an intervening variable, either a moderator or a mediator.

When moral climate or a similar term is the dependent variable, it is indicated, which variables serve as the independent variables (for instance, national culture, type of competition, branch regulations, organizational strategy, production technology, organizational structure, organizational culture) and which variables serve as intervening variables (if indicated).

When moral climate or a similar term is the independent variable, it is indicated, which variables serve as the dependent variables (for instance, unethical behavior, job satisfaction, turnover, productivity, commitment) and which variables are intervening variables (if indicated) (for instance, leadership).

When moral climate or a similar term is an intervening variable, the other variables need to be specified between which moral climate is intervening. If possible, the kind of the intervening variable – moderator or mediator – is specified.

Since many authors connect their research hypotheses with other bodies of knowledge, the "connectivities" are specified, mostly in relation with the variables examined. Special attention has already been paid to conceptual relations with ethical theories and climate and/or culture theory that are indicated in part 2 of the scoring and tracking overview.

This part of the overview also contains a summary statement of the main contributions of the publications reviewed. A detailed review of these publications can be found on the CD-ROM part of this study accompanies the printed matter.

In the scheme below, the following abbreviations are used:

i = independent variable
d = dependent variable
mo = moderating variable
me = mediating variable

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Acharya 2005	AC05	4	i	psychological distress	---	need for better communication of the institution's ethical policies and better ethical training to foster commitment to ethics.
Agarwal & Malloy 1999	AM99	4	i	---	---	moral climate in not-for-profit organizations; five climate types were found, polarizing individual and cosmopolitan loci
Ambrose, Arnaud & Schminke 2007	AAS07	4	i	person-organization fit job attitudes	person-organization fit theory	the fit between employees moral development and the moral climate of their organization affects employee attitudes
Ampofo, Mujtaba, Cavico & Tindall 2004	AMC04	5.2	i	d: behavioral intention	theory of planned behavior (Ajzen & Fishbein)	explores the relationship between organizational ethical culture and ethical behavior of accounting/finance professionals in US insurance industry; emphasizes the importance of ethical training as a means to fostering the institutionalization of ethical cultures in organizations
Ampofo 2005	AM05	5	i	ethical decision-making	unknown	unknown
Andreoli & Lefkowitz 2008	AL08	7	i	misconduct job satisfaction	deviant behavior and organizational characteristics	promoting a moral organization by senior managers and codes of conduct diminishes misconduct and promotes job satisfaction
Appelbaum, Deguire & Lay 2005	ADL05	4	i	deviant workplace behavior; commitment	deviant workplace behavior theory (aggression; lying); commitment	ethical climate influences unethical behavior
Aquino 1998	AQ98	7	i	negotiation behavior	negotiation behavior	ethical climate and the use of deception during dyadic negotiation
Ardichvili, Mitchell & Jondle 2008	AMJ08	7	i	culture (including values) stakeholders leadership	leadership theory culture theory stakeholder theory	identified five characteristics of ethical business culture, including mission and values, stakeholder balance, leadership effectiveness

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Armstrong, Kusama & Sweeny 1999	AKS99	-	---	not included	not included	not included
Armstrong & Frances 2008	AF08	4	i	employee attitudes and behaviors (including performance, commitment)	corporate governance theory	argues that the legal duty of care to employees extends to creating an ethical climate; describes ethical climate types and their consequences
Arnaud 2006	AR06	4	---	not included	not included	not included
*Arnaud & Schminke 2006	AS06	4	d	organizational relations unethical behavior	Rest's theory of cognitive moral development	expands the ECQ of Victor and Cullen by introducing collective moral awareness, collective moral motivation, and collective moral character
Arnaud & Schminke 2007	AS07	4	i/d/mo	overview of possible antecedents (business type, organizational form and department structure, leadership) and consequences (employee moral reasoning, ethical decision-making, unethical behavior, employee attitudes and perceptions)	ethical leadership (considered as the key variable), job satisfaction, commitment, moral stress, moral identity, pro-social behavior, demographic variables (tenure)	state of the art review chapter, review and assessment of variables, recommendations for researchers and practitioners
Arruda & Navran 2000	AN00	6.4	d	tenure, working conditions	job satisfaction, commitment transition to privatization	creating an indicator to assess a firm's degree of ethicalness
Babin, Boles & Robin 2000	BBR00	6.3	i	role-stress, job satisfaction, organizational commitment	role-stress, job satisfaction, organizational commitment	measurement model representing ethical work climate of marketing employees
Bahcecik & Oztürk 2003	BO03	6.5	d	type of hospital age and position of nurses	climate theory	assess the validity and reliability of the HECS in Turkey

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Banning 1997	BAN97	7	i	student attitudes and behaviors	visual anthropology; learning from cultural messages	proposes to use methods from visual anthropology to assess ethical climate
Barnett & Schubert 2002	BS02	4	i	covenantal relationships and psychological contact	theory on psychological contract and organizational citizen behavior	effect of ethical work climate on psychological contracting
Barnett & Vaicys 2000	BV00	4	mo	ethical judgments (i) and behavioral intentions (d)	theory of reasoned action (Ajzen & Fishbein)	effects of climate perceptions on ethical judgments and behavioral intentions towards ethical dilemmas
Bartels, Harrick, Martell & Strickland 1998	BH98	4	i	ethical problems size of organization	seriousness of ethical problems	examines relationship between climate strength and ethical problems involving HRM
Bassett 2009	BAS09	7	d?	---	---	gives practical tips for strengthening ethical cultures on three levels: CEOs and boards of directors, integrity leaders, and senior managers
Bell 2003	BE03	7	d	geographical localization profit/non-profit dimensions ethical decision-making	---	description of ethical climates across three health care organizations; ethics committee advised
Beu & Buckley 2004	BB04	7	i	misconduct, individual morality, organizational context (not specified)	organizational context individual morality	accountability as a means in creating a more ethical climate
Bline, Cullinan & Farrar 2008	BCF08	4	i	organizational commitment	organizational commitment	examines relationship between components of ethical climate and organizational commitment among non-professional workers in non-professional workers in non-professional companies and professional employees in professional firms; organizational commitment was positively related to benevolent ethical climate and negatively related to egoistic climate; differences between the populations were

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
						explained in terms of the principled element of ethical in professional organizations
Bourne & Snead 1999	BS99	4	d	community values and norms	stakeholder theory	impact of community values norms on moral climate
Brief, Dukerich, Brown & Brett 1996	BDB96	7	i	personal values (Rokeach)	personal values theory organizational variables (not specified)	factors influencing fraudulent financial reporting
Brower & Shrader 2000	BS00	4	i	nature of organizations	---	examines differences in moral reasoning and ethical climate between board members in the for-profit and not-for-profit sectors
Brown & Treviño 2006	BT06	5.1	d/mo	i: (ethical) leadership d: work attitudes; ethical decision-making	transformational, spiritual, authentic and ethical leadership theories	examine ethical climate as an outcome of ethical leadership; claim: ethical context supporting ethical conduct relates positively to ethical leadership.
Brugman 1994	BR94	1	i	development of moral competence and performance (prosocial behavior)	responsibility just community approach	discusses the school as a moral community as determinant of moral judging
Brugman, Høst, Van Roosmalen & Tavecchio 1994	BH94	1	i	development of moral competence and moral performance (prosocial behavior)	just community approach	variables and categories emerging from the development of the moral atmosphere as the school develops into a just community (moral community) are used to describe the moral atmosphere as perceived by students in 12 widely differing normal secondary Dutch schools
Brugman et al 2003	BHB03	1	i/me	moral atmosphere considered as a mediator between moral competence and moral performance role of national culture? increase in perception of	transgressive behavior theory just community approach moral self-complexity theory school climate theory	examines how students perceive the moral atmosphere in their school and how this does affect their behavior in and around school.

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
				moral atmosphere; decrease of transgressive behavior and increase of prosocial behavior		
Buchan 2005	BU05	4	i	ethical attitudes and intentions	theory of reasoned action (Ajzen & Fishbein)	ethical climate and ethical decision making as an extension of Ajzen's theory of planned behavior
Bulutlar & Oz 2008	BO08	4	i	bullying and commitment	bullying theory commitment theory	effects of ethical climate on bullying and commitment
Caldwell & Moberg 2007	CM07	7	i	d: moral imagination i: individual moral identity	moral imagination theory and moral identity theory	examines the effects of individual characteristics and ethical culture on moral imagination
Carroll 1993	CA93	7	d	superior and peer behavior, industry influences, formal organizational policy	HR policy, leadership	understanding unethical behavior and creating an ethical climate through leadership behavior, codes of conduct and HR policy
Chen, Sawyers & Williams 1997	CSW97	7	me	d: ethical behavior throughout the organization i: TQ techniques	Total Quality Management theory and techniques	discuss how total quality techniques can facilitate the development of a corporate culture and encourage ethical behavior throughout the organization
Cockerell & Armstrong 1999	CA99	4	---	unknown	unknown	unknown
Cohen 1993	CH93	6.2	me	leadership, structure, policies, incentives, socialization, culture; unethical behavior	anomie theory (Merton)	uses moral climate theory to reduce anomie at the workplace; unethical behavior is caused by strong emphasis on goal attainment
Cohen 1995	CH95	6.2	me	political, technical and cultural processes; leadership	communitarianism ; Tichy model of political, technical and cultural processes	introduces five dimensional moral climate continuum and offers programs for moral climate intervention
Cohen 1998	CH98	6.2	me	social responsibility; business-society relationships; political, technical, cultural processes	communitarianism; Tichy model of political, technical and cultural processes	elaborates a new conceptual Tichy-based framework explaining how moral climate evolves and how it can be influenced

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Collier 1998	CL98	7	i	organizational structure	virtue ethics; organization theory; structuration theory; Habermas' procedural and discourse ethics; narrative theory of organization	construction of a framework linking ethical and organizational theory
Colquitt, Noe & Jackson 2002	CNJ02	6.6	me	team size and collectivism (a) team performance and team absenteeism (c)	theory on team functioning (processes, effectiveness, justice in teams)	examines the antecedents and consequences of procedural justice climate in manufacturing firms, with climate strength as a moderating factor
Conine & Rowden 2006	CR06	4	i	job satisfaction	job satisfaction; small firms	examines the impact of ethical climate in small firms on job satisfaction
Corley, Minick, Elswick & Jacobs 2005	CM05	7	i	moral distress; staffing adequacy and quality of care; retention	moral distress theory	examines the relationship between moral distress intensity and frequency, ethical work environment, and demographic characteristics
Cullen, Parboteeah & Victor 2003	CPV03	4	i	organizational commitment	organizational commitment theory (identification and involvement)	identified significant effects of ethical climate on organizational commitment
*Cullen, Victor & Bronson 1993	CVB93	4	i	individual moral behavior	---	tested and found support for the validity and reliability of the Ethical Climate Questionnaire
Cullen, Victor & Stephens 1989	CVS89	4	d	organizational environment organizational form organizational history	Kohlbergian theory	emphasizes that identifying the ethical climate helps to determine how employees at all levels make (un)ethical decisions and offers suggestions to either strengthen or change the ethical climate
DeConinck & Lewis 1997	DCL97	4	i	ethical judgment	ethical theories	ethical climate proved not to be a significant predictor of sales managers' ethical judgment
Dempster, Freakley and Parry 2001	DFP01	7	d	external influences, notably new public management	new public management theory / economic rationalism	investigates the impact of new public management on public school ethical climate

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Deshpande 1996b	D96b	4	i	job satisfaction	job satisfaction theory	examines the impact of ethical climate types on facets of job satisfaction
Deshpande 1996a	D96a	4	i	managerial success	managerial success	examines the impact of ethical dimensions on managerial success
Deshpande, George & Joseph 2000	DGJ00	4	i	managerial success	Russian political culture and management orientation on ethics	investigates ethical climate in Russian organizations and the relationship between ethical climate and managerial success
Deshpande & Joseph 2008	DJ08	4	i	ethical behavior	emotional intelligence	examines factors impacting ethical behavior of nurses, including ethical climate.
Deshpande, Joseph & Shu 2010	DJS10	4	i	managerial success as effect variable Chinese culture as antecedent	Chinese culture successful managers	examines perceptions of ethical climate and ethical practices of Chinese managers
Dickson, Smith, Grojean & Ehrhart 2001	DS01	4	d	leader values and motives; firm specific factors; job satisfaction	leadership theory ASA-theory (attraction–selection–attrition)	argue that the term ethical climate is inappropriate and that ethical climate is an outgrowth of the personal values and motives of organizational founders/early organizational leaders and discuss antecedents and outcomes of climate regarding ethics
Dorosamy 2010	DOR10	7	d	leadership as determining variable	altruistic leadership	discussed the role of purpose directed leadership in enhancing an ethical culture in South African public service delivery organizations
Dorsch, Swanson & Kelley 1998	DSK98	4	i	commitment, trust, customer satisfaction, customer orientation, opportunism	trust in buyer-seller relationships	examines the relation between vendor relationship quality and ethical climate
Douglas, Davison & Schwartz 2001	DDS01	7	i	ethical orientation, firm's policies, leadership behavior	value theory (Rokeach), moral intensity theory (Jones, 1991)	relationship between organizational ethical culture, personal values, and ethical orientation in accountancy ethical dilemmas

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Drumm 2000	DRU00	7	d	leadership behavior codes of ethics	codes of ethics	examines the ethical climate of the City of Markham Fire Department
Duh & Belak 2009	DB09	4	d	family/non family enterprise organizational culture organizational core values	family enterprise literature organizational culture theory	aims as better understanding the relation between the degree of involvement of a family in an enterprise and its influence on enterprise core values, culture and ethical climate as the constitutional elements of enterprise ethical behavior
Duh, Belak & Milfelner 2010	DBM10	4	d	family/non family enterprise organizational culture organizational core values	family enterprise literature organizational culture theory ethical core values literature	aims to contribute to the discussion on family versus non-family business' differences in ethical core values, culture and ethical climate as the constitutional elements of enterprise ethical behavior; significant differences were identified due to family involvement
Dursun 2004	DU04	4	i	stages of ethical decision-making	moral intensity of situations	examines ethical climate in the Canadian Forces related to several factors including personal values, supervisor expectations, co-worker behavior
Ede & Legosz 2002	EL02	7	i	integrity, reasoned action, unethical behavior	theory of reasoned action (Ajzen & Fishbein)	development of instrument to monitor ethical climate of police organizations
Ehrhart 2004	EH04	6.6	me	unit level organizational citizenship behavior ; fairness servant leadership	organizational citizenship behavior theory servant leadership theory	procedural justice climate partially mediates the relationship between (servant) leadership behavior and unit-level organizational citizenship behavior
Elçi & Alpkan 2008	EA08	4	i	work satisfaction	work satisfaction theory	examines the effect of nine ethical climate types on employee work satisfaction
Elm 1989	EL89	-	---	not included	not included	not included

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Elm & Nichols 1993	EN93	4	i	individual moral reasoning including gender and age and tenure	personal consistency, self-monitoring, DIT, gender differences, culture	ethical climate as a factor influencing moral reasoning of managers at work
Ells, Downie & Kenny 2002	EDK02	7	i	law and policy issues patient care issues satisfaction	health care policy	assessment of ethical climate in health care organizations
Engelbrecht, van Aswegen & Theron 2005	EAT05	4	d	ethical leadership and altruism (independent variables)	ethical leadership integrity	explain structural relationships between ethical leadership and ethical climate in a South African business context
English 2008	ENG08	7	i	d: commitment mo: tenure and career stages	commitment theory professional career development and tenure	examines the relationship between police officers' perceptions of their organization's commitment to ethics, and their affective commitment to both that organization and their occupation while using the concept of climate for ethics
Erakovich, Bruce & Wyman 2002	EBW02	4	d	culture variables in public organizations affecting moral climate, including structure, leadership, cohesion, innovation, support, socioeconomic influences	theory on public organizations	examines the relationship between ethical climate and organizational culture
Erben & Güneşer 2007	EG07	4	me	leadership; organizational commitment	leadership and paternalism; organizational commitment theory	examines effects of paternalistic leadership on ethical climate perceptions as mediating variable concerning types of commitment
Erondu, Sharland & Okpara 2004	ESO04	4	i	behavior toward customers as outcome variable of ethical climate	ethics of banking organizations	tests the robustness of the dimensions of a framework of Victor and Cullen and evaluates its application to an Nigerian business setting
Federwisch 2007	FED07	7	d?	---	---	outlines best practice element to foster an ethical culture as feature of an ethical organization

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Ferrell, LeClair & Ferrell 1997	FLF97	7	i	corporate social responsibility environmental activities	corporate social responsibility theory including environmental activities	examines how ethical climate relates to organizational environmental behaviors and attitudes in the food services industry
Ferrell, Johnston & Ferrell 2007	FJF07	6.7	?	gender, age, education, ethical values, tenure, ethical issue intensity, sales environment, supervisory style, organizational climate and culture	ethics theory concerning marketing and sales	developed a framework including organizational culture, ethical issue intensity, and sales organization ethical climate or subculture
Filipova 2009	FIL09	4	d	work group, job position, tenure	---	examines the presence of ethical climates in skilled nursing facilities and identifies their antecedents (work group, job position, tenure)
Flannery & May 2000	FM02	4	i	environmental ethical decision intention as dependent variable	Jones' concept of moral intensity; Ajzen's theory of planned behavior	examination of individual and contextual influences (including ethical climate) shaping environmental ethical decision intentions
Fleming 1985	FL85	7	d	leadership; type of industry external influences; reputation	HR instruments	identification of intervention modes to manage corporate ethical climate
Forte 2004a	FO04a	4	i	moral reasoning of business managers	Rotter's (1966; 1982) theory of internal and external locus of control and social learning	influence of moral climate on moral reasoning of business managers
Forte 2004b	FO04b	4	i	moral reasoning of business managers	Rotter's (1966; 1982) theory of internal and external locus of control and social learning	influence of moral climate on moral reasoning of business managers
Freire 2000	FRE00	4	i	job satisfaction	job satisfaction	diversity of ethical climates in university settings
Fritzsche 2000	FRI00	4	i	ethical dimension of decision-making	social desirability bias in business ethics research	examines the existence of various ethical climates and their relationship with the ethical dimension of decision-making

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Gaertner 1991	GA91	4	i	(ethical quality) of employee decision-making	decision-making theory	effect of moral climate on criteria used in decision-making and on ethical quality of decisions made by employees
Gebler 2006	GE06	7	d	leadership	organizational culture	describes a values-based ethics approach to create an ethical culture
Goldman & Tabak 2010	GT10	4	i/d?	nurses' demographic characteristics (gender, tenure) and job satisfaction	job satisfaction	examined the perception of actual and ideal ethical climate among nurses Israel, influenced by nurses' demographic characteristics and job satisfaction
Gonzalez-Padron, Hult & Calantone 2008	GHC08	7	mo	organizational culture, learning, innovation, purchasing outcomes	corporate social responsibility learning organization, teamwork	ethical climate and CSR may restrict innovation in the purchasing process
Grojean, Resick, Dickson & Smith 2004	GR04	4	d	leadership as independent variable	leadership theory and mechanism for conveying ethical values; values theory	examines the critical role that organizational leaders play in establishing a values based climate
Grover & Enz 2005	GE05	7	i	unethical behavior (lying, deceiving)	lying, cheating, and other forms of unethical behavior, Machiavellianism	examines the impact of situational and individual characteristics on sales people's propensity to lie or tell the truth
Hamric & Blackhall 2007	HB07	6.5	i	moral distress collaboration	moral distress theory	explore nurses' and physicians' perspectives on caring for dying patients in intensive care units (ICUs), with particular attention for the relationships among moral distress, ethical climate, physician/nurse collaboration, and satisfaction with quality of care
Hart 2004	HA04	6.5		not included	not included	not included (see Hart, 2005)
Hart 2005	HA05	6.5	i	job satisfaction; turnover ability to address ethical issues	job satisfaction theory turnover (intention) theory	investigated the effects of hospital ethical climates on positional and professional turnover intentions of registered nurses

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Herndon 1991	HE91	-	---	not included	not included	not included
Herndon, Ferrell, LeClair & Ferrell 1999	HFLF99	-	---	not included	not included	not included
Herndon, Fraedrich & Yeh 2001	HFY01	7	i	job satisfaction, turnover intention, commitment	job satisfaction, turnover, commitment	cross national differences (US, Taiwan) in ethics perception related to moral values, job satisfaction, turnover intention, commitment
Higgins & Gordon 1985/6	HG86	1	i	moral behavior	---	describes normative structure and culture in two worker-owned firms using moral atmosphere research methodology
Higgins, Power & Kohlberg 1984	HPK84	1	me	i: moral reasoning d: moral action	---	reports of moral atmosphere results in six high schools while offering detailed moral atmosphere scales
Higgins 1995	HIG95	1	me	i: national culture d: moral behavior	---	describes developments in the just community approach while watering down the moral atmosphere concept
Hoffman 1998	HO98	7	d	i: national culture	national culture theories (Hofstede; Trompenaars)	develops a model that helps in identifying and selecting countries that offer the best fit with the firm's ethical orientation
Høst, Brugman, Tavecchio & Beem 1998	HB98	1	i	moral competence prosocial/undesired behavior	just community approach	examines relationship between students' perception of the moral atmosphere in secondary schools and their moral competence
Hoover 2007	HOO07	--	---	not included	not included	not included
Ingram, LaForge & Schwepker 2007	ILS07	6.7	me	i: sales leadership and sales management control strategy d: salesperson moral judgment	(transformational) leadership theory control systems	examines the impact of sales leadership and sales management control strategy upon sales person moral judgment

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Jackall 1984	JA84	7	d	bureaucracy; leadership; public opinion	bureaucracy theory political sociology	bureaucracy filters away moral issues while turning them into pragmatic issues in a moral ethos that is maintained by leaders on all levels
Jaffe & Tsimerman 2005	JT05	4	i	followed course in business ethics	Russian political culture and business morality	examines students' perceptions of ethical climates, attitudes towards ethical issues, and the relationship between ethics and success
Jaramillo, Mulki & Solomon 2006	JMS06	6.7	i	salesperson's role stress, job attitudes, turnover intention, and job performance	theory on role stress, job attitudes, turnover, sales force performance	investigate the effects of ethical climate on salesperson's role stress, job attitudes, turnover intention, and job performance
Jobim & de Arruda 2004	JDA04	6.4	d/i?	work environment	job satisfaction and commitment	ethical climate perceptions related to tenure and hierarchical position
Jones, Felps & Bigley 2007	JFB07	6	i	management behavior stakeholder claims	utilitarian ethics theory stakeholder theory culture theory	create a typology of corporate stakeholder cultures: agency, corporate egoist, instrumentalist, moralist, and altruist, from self-interested to other-regarding
Joseph & Deshpande 1997	JD97	4	i	job satisfaction of hospital nurses	job satisfaction	examines the impact of ethical climate types on various facets of job satisfaction of nurses
Kaptein 2008	KA08	5.3	i	(un)ethical conduct	virtue ethics	develops and tests the Corporate Ethical Virtues Model, a measure for the ethical culture of organizations
Kaptein 2009	KA09	5.3	me	i: elements of ethics programs d: employee ethical behavior	ethics training codes of ethics	examines the elements of ethics programs on distinct dimensions of ethical culture
Keiser & Schulte 2007	KS07	6.8	d	gender, involvement in extracurricular activities, ethnicity, attendance level	school climate	development and Validation of the Elementary School Ethical Climate Index
Keiser & Schulte 2009	KS09	6.8	d	urban/suburban variable	school climate; context	development and Validation of the Elementary School Ethical Climate Index; comparison of two elementary schools

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Kelley & Dorsch 1991	KD91	4	i	giving gifts and favors commitment	theory on gifts and exchange processes (symbolic interactionism) commitment theory	examines relationships among the ethical climate of the purchasing organization, organizational commitment of purchasing executives, and purchasing executives' feelings of indebtedness resulting from receiving gifts and favors
Kennedy, Ferrell & LeClair 2001	KFL01	4	i	consumer trust	trust literature	develops model of consumers' trust of salesperson and manufacturer in relation with the caring dimension of moral climate
Kerns 2003	KE03	7	i	values/virtue ethics	positive psychology (Seligman)	offers values-based guidelines for creating and maintaining an ethical culture
Key 1999	KEY99	5.2	i	(un)ethical behavior	culture theory	assesses the efficacy of the measure of Ethical Culture Questionnaire of TBM95/98 to identify the ethical status of organizations on a continuum
Kim & Miller 2008	KM08	4	i	job satisfaction and organizational commitment	theory on job satisfaction and organizational commitment	investigated the ethical climate types presented in the Korean tourism industry, differences in the perceptions of these ethical climate types and the influence of ethical climate types on job satisfaction and organizational commitment.
Kish-Gephart, Harrison & Treviño 2010	KHT10	4+5.1	i	d: unethical choice at work (intention/behavior)	individual characteristics CMD; moral philosophies locus of control; job satisfaction; Machiavellianism moral intensity of issue; code of conduct and enforcement; theory of planned behavior	conduct meta-analysis concerning sources of unethical decisions at work (individual characteristics, moral issue characteristics, organizational environment characteristics)
Kitapçi & Elçi 2007	KE07	4	i	(d) organizational commitment and person-organization fit	quality culture, organizational commitment, person-organization fit theory	examined the relationship among quality culture, ethical climate of an organization, organizational commitment and person-organization fit in

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
				using quality culture as a second independent variable		automotive manufacturing firms Gebze (Turkey); no relation was found between ethical climate and organizational commitment; quality culture and ethical climate were significantly related to person-organization fit.
Koh & Boo 2001	KB01	4	i	job satisfaction; leadership as intervening variable; career success	job satisfaction theory; organizational justice theory cognitive dissonance theory	examined link between ethical climate and job satisfaction
Kohlberg 1970 (1983)	KO70	1	i	growth of moral character	theory of the hidden curriculum of the school and the school as an institution	describes the role of the moral atmosphere in moral education while highlighting the role of teachers and principals
Kohlberg 1980	KO80	1	i	moral behavior	high school democracy (Dewey; Durkheim)	discusses the role of the school in moral education while formulating conditions and contents of a moral education curriculum
Kohlberg 1981b	KO81b	1	me	i: moral judgment d: moral action	---	explores the concept of moral atmosphere of institutions
Kohlberg 1984 (identical to KLH83)	KO84	1	me	i: moral judgment d: moral action	---	summarizes moral atmosphere described as an organizational feature, adding a scale describing phases of the degree of community valuing
Kohlberg, Scharf & Hickey 1971	KSH71	1	i	moral reasoning and behaving	correctional intervention programs	describes the intervention programs of influencing correctional setting based on Kohlbergian principles and suggest modes of intervention
Kohlberg, Kauffman, Scharf & Hickey, 1975	KK75	1	i	moral reasoning and behaving	correctional intervention programs just community	describes the intervention programs of influencing correctional setting based on Kohlberg Ian principles and the just community approach
Kohlberg, Levine & Hewer 1983	KLH83	1	me	i: moral judgment d: moral action	---	summarizes moral atmosphere described as an organizational feature, adding a scale describing phases of the degree of community valuing

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Kohlberg 1986a	KO86a	1	me	i: moral judgment d: moral action	Habermas' concept of ideal communication situation	discusses the assumptions of the Just Community Approach while opposing the views of Durkheim and Dewey
Kohlberg & Higgins 1987	KH87	1	me	role of teacher and functioning of the group	Durkheimian moral theory group dynamics	describes the theoretical work on integrating Durkheim's moral theory and neo-Piagetian theory in the context of the Just Community Approach
Lavoie & Culbert 1978	LAC78	2	d	influenced by external factors, including social community	Homans's theory of social behavior; OD theories	describes how OD should link with the models of development of Torbert and Kohlberg in order to understand the transitional events individuals and organizations have to experience in order to pass from one stage of development to the next
Lemke 1994	LEM94	4	me	societal norms, organization forms, and firm-specific factors (size, formalization) (i) behavioral intentions (d)	organization theory and contingency theory	assesses the impact of organizational structure variables on the development of ethical work climates as mediator of behavioral tendencies
*Lemmergaard 2004	LMG04	4	me	level of individual cognitive moral development ethnic diversity (un)ethical behavior organizational socialization	ethics theory Kohlbergian theory; ethnic diversity theory culture and climate theory, including the climate theory of Koys & DeCotiis (1991)	examines the impact of ethical climate on managing ethnic diversity in the direction of ethical behavior outcomes
*Lemmergaard & Lauridsen 2008	LL08	4	d	ethical climate reflects structure, culture, and labor relations; leadership	climate theory of Koys & DeCotiis (1991).	empirical validation and enhancement (autonomy dimension) of the model of Victor and Cullen on a sample of Danish firms.
Lending & Slaughter 2001	LS01	4	i/mo	software piracy	software piracy	assesses the direct and moderating effects of the organization's ethical climate on attitudes and behaviors regarding software piracy

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Leung 2008	LEU08	4	i	organizational citizenship behavior ; commitment	organizational citizenship behavior theory; theory on commitment	investigated the relationship between organizational ethical climate and forms of organizational citizenship behavior
Liao & Rupp 2005	LR05	6.6	i	work outcomes: satisfaction, commitment, organizational citizenship	procedural justice theory commitment theory exchange theory	partly confirmed a cross-level multifoci model of workplace justice, with justice orientation as moderating variable
Loch & Conger 1996	LOC96	4	i?	computer use	theory of reasoned action	describes the use of the theory of reasoned action to explain ethical behavior
Loe 1996	LOE96	6.7	---	not included	not included	not included
Loe & Ferrell 1997	LOF97	6.7	me	ethics/compliance programs marketing performance variables: intra-firm trust, market orientation, employee commitment to quality	commitment theory integrity service quality	reveals the influence of ethics/compliance programs on the ethical climate of the firm and the significant relationships between ethical climate and certain marketing performance variables, including intra-firm trust, market orientation, and employee commitment to quality.
Logsdon & Yuthas 1997	LY97	2	d	individual moral development and other characteristics; top management expectations concerning desired level of organizational moral development; organizational processes such as strategy formulation, distribution of resources and power, reward systems, socialization, environmental factors, including social expectations,	corporate social performance theory; stakeholder theory	connect levels of organizational moral development to corporate social performance by relating them to different stakeholder orientations

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				industry and local norms, laws and regulations		
Lovell 1995	LO95	1	me	societal influences professional accountancy behavior	levels of consciousness ethical codes	examines the moral aspects of the accountancy profession and the way this profession has to deal with stakeholder expectations
Luthar, DiBattista & Gautschi 1997	LDG97	7	d	gender, academic status, ethical education	gender theory; theory on teaching business ethics	examination of ethical attitudes/perceptions in terms of gender, academic status and ethical education; misleading use of "ethical climate"
McDaniel 1997	MD97	7	---	---	---	reports on development and psychometric properties of the EEQ, the Ethics Environment Questionnaire
McKendall & Wagner 1997	MKW97	7	i	corporate illegality, structural properties of organizations	theory of organizational structure criminology	complex patterns of ethical climate, profitability, organization size, complexity and decentralization cause corporate illegality
McKenna 1993	MCK93	-	---	not included	not included	not included
Mackin 1984	MAC84	1	---	not included	not included	not included
*Maclagan 1996	ML96	7	i	individual moral behavior, role of managers/consultants as influential factors	theory of social structure and behavior (Homans, Merton); individual actions	impact of organizational context on individual behavior, with attention for the influence and power of both managers and consultants
*Maesschalck 2004	MAE04	4	me	i: intra- and extra organizational interaction patterns d: ethical decision-making of street-level bureaucrats and unethical behavior	grid-group theory public administration theory moral intensity of issues	examines causal relationships between intra- and extra organizational interaction patterns and the ethics of street-level bureaucrats (public servants) using ethical climate as an intermediate variable while evaluating an adapting the ECQ for use in public sector settings

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*Maesschalk 2005	MAE05	4	me	---	climate theory	evaluates and adapts the ECQ for use in public sector settings
Malloy & Taylor 1999	MT99	4	mo	national and organizational culture	sports ethics and sports career demands	ethical climate in sports contexts reveal hedonistic ethical climate among elite athletes (on either an individual or a team base)
Malloy & Agarwal 2001a	MA01a	4	d	frequency of interaction with peers and superiors	leadership theory; role set configuration theory and differential association theory	influence of significant others (peers and superiors) upon perception of ethical climate in a Canadian non-profit sports organization
Malloy & Agarwal 2001b	MA01b	4	d	gender, educational level, tenure, size of organization, code of ethics, decision-making style, dilemmas dealing with superiors, peers, and volunteers	social learning theory; criminology	exploration of variables affecting perceptions of ethical climate in the nonprofit sector
Malloy & Agarwal 2003	MA03	4	d	educational level, decision-making style, tenure, peer and superior influence, size, codes	social learning theory; criminology ; leadership theory; codes of ethics	extension of moral climate framework of Victor and Cullen to nonprofit organizations in terms of influential factors
Malloy, Agarwal & Rasmussen2008	MAR08	4	d	type of organization	nature of nonprofit organizations and governmental organizations	insights in similarities and differences between governmental organizations and nonprofit organizations concerning their ethical climates
Maon, Lindgreen & Swaen 2010	MLS10	2	d	unspecified	corporate social responsibility theory; stakeholder culture theory	offers a stakeholder based multi-dimensional, dynamic perspective integrating moral, cultural and strategic aspects of the CSR development process, research perspectives, organizational implications based on a cultural phase model
*Martin & Cullen 2006	MC06	4	d/i	antecedents: external organization context, organizational form; strategic and managerial orientations	theory on meta-analysis psychological climate	compiles research to enhance the appreciation of ethical climate theory; explores the development of the theoretical framework, and found the model to be confirmed

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				consequences: commitment, job satisfaction, psychological well-being, dysfunctional behavior		
Maul 1979	MAU79	1		not included; see MAU 1980	not included; see MAU 1980	not included; see MAU 1980
Maul 1980	MAU80	1	i	development of moral reasoning/perception of sense of community	Rest's Defining Issues Test intensive education conditions (+time structure)	stresses the importance of the school's social environment in stimulating the developing of moral reasoning based on just community ideas
*Mayer, Kuenzi & Greenbaum 2009	MKG09	4	---	describes antecedents and consequences of ethical climate	---	considers ethical climate conceptualizations and offers review, critique, and prescriptions for empirical research on ethical climate
Menzel 1993	ME93	7	i/d	organizational values aspects of work climate antecedents of ethical climate	work climate factors	Investigates the relationship between ethical climate and organizational values, work climate factors, and antecedents of ethical climate
Mirvis & Googins 2006	MG06	2	d	socio-economic and socio-political factors; laws and regulations, national culture strategic/competitive forces firm developmental stage and size; internal push variables	theories of organizational development (Greiner)	offers a stage model of corporate citizenship including an overview of antecedent variables
Morris 1997	MO97	4	d	stakeholder devices	stakeholder theory corporate social performance	Stakeholder devices affect perceived moral climates in the firm
Morris, Schindehutte,et al 2002	MS02	7	d/me	business development stages personality of entrepreneur industry/firm characteristics	nature of entrepreneurial firms; Machiavellianism; life cycle	aims at increasing of understanding of the ethical climate of entrepreneurial firms and identifies four clusters of firms from an ethical point of view

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Mossholder, Bennett & Martin 1998	MBM98	6.6	i	job satisfaction and organizational commitment	procedural justice theory aggregation theory	procedural justice is associated with employee reports of job satisfaction and organizational commitment
Mulki, Jaramillo & Locander 2006	MJL06	6.7	i	salesperson's job attitudes, job satisfaction, turnover intention, organizational commitment, trust	literature on job satisfaction, turnover, commitment, supervisor trust	investigates the integrated effects of ethical climate on supervisory trust on salesperson's job attitudes, job satisfaction, organizational commitment, and intentions to quit; supervisor trust mediating
Mulki, Jaramillo & Locander 2007	MJL07	6.7	i	turnover intention; conflict; exhaustion; role stress; job satisfaction; supervisor trust	stress theory; theory on turnover, commitment, trust	investigates the effects of ethical climate on job outcomes, using attitudinal and stress theory
Mulki, Jaramillo & Locander 2008	MJL08	6.7	me	transformational and ethical leadership (a) and salesperson behaviors (c)	leadership theory	investigates the role of leadership on ethical behavior and salesperson behaviors (including supervisor satisfaction)
Murphy 1989	MUR89	7	i	(un)ethical behavior	codes and ethics training	described features of an ethical structure (credos, codes, and ethical programs)
Musiime, Ntayi & Samuel 2009	MTS09	7	me	i: marketing culture d: service performance and customer loyalty	marketing culture literature	investigates the relationships between marketing culture, psychological wellness, ethical climate, service performance, and loyalty.
Nakhaee Mobasher & Garoosi 2008	NMG08	?	?	not included	not included	not included
Naumann & Bennett 2000	NB00	6.6	me	organizational commitment; helping behavior; leadership; workgroup characteristics	procedural justice theory theory on group phenomena aggregation theory	development and test of a multilevel model for procedural justice climate
Near, Baucus & Micelli 1993	NBM93	7	i	whistle blowing, illegal behavior, retaliation, positive values	whistle blowing, illegal behavior, retaliation	positive organizational climates may discourage serious wrongdoing and encourage whistle-blowing under some conditions

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Nelson & Donnellan 2009	ND09	7	d?	leadership	integrity and leadership theory	gives an overview of measures to arrive at an ethical health care organization
Neubaum, Mitchell & Schminke 2004	NMS04	4	d	firm newness; entrepreneurship	theory on entrepreneurship, organizational life cycle including firm newness	examines the impact of newness and entrepreneurial orientation on the ethical climate of firms
Newton, Wingreen & Blanton 2004	NWB04	7	i	organizational commitment, job satisfaction, person-organization fit	organizational commitment, job satisfaction, social cognitive theory	explores the impact of ethical climate fit on information technology professional's job satisfaction and organizational commitment'
Nwachukwu & Vitell 1997	NV97	7	i	personal moral convictions	theory on ethical codes marketing and advertising	examines the influence of organizational codes of ethics; depending upon the situation, corporate culture and ethics mitigate personal morality
Ogbonna 2008	OB02	?	---	not included	not included	not included
O'Grady Harvey 2001	OG01	-	---	not included	not included	not included
Okpara 2002	OK02	4	i	job satisfaction regarding promotion, supervisors, pay and work	job satisfaction	examines relationship between ethical climate and job satisfaction of IT managers in a developing economy (Nigeria)
Okpara & Wynn 2008	OW08	4	i	job satisfaction organizational commitment	job satisfaction organizational commitment theory	examined the impact of ethical climate on job satisfaction and commitment in Nigeria
Olson 1995	OL95	6.5	i/d	a: organization's history, formal structures, mission, philosophy and values, reward mechanisms, management practices c: job satisfaction, ethical	climate-culture controversy	relates ethical climate to patient care issue and nurses retention

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				optimism, increased person-organization fit		
Olson 1995d	OL95d	6.5	---	not included	not included	not included
Olson 1998	OL98	6.5	i/d	unspecified	climate literature	validation of a research instrument to measure nurses' perceptions of ethical climate (Hospital Ethical Climate Survey) in order to understand and influence ethical climate
Olson 2002	OL02	6.5	i/d	a: interaction in the workplace; leadership; c: behaviors and beliefs including job satisfaction	climate theory	discusses ethical climate as the context for nurse retention
Oracle Financial Services Software 2009	OR09	7	d	environmental influences	---	describes ethical climate features and offer suggestions for ethical culture intervention
Parboteeah & Cullen 2003	PC03	4	i	spirituality	theories on spirituality	specifying the links between ethical climates and spirituality
Parboteeah, Cullen, Victor & Sakano 2005	PC05	4	d	national culture	culture theory according to Hofstede and Trompenaars; institutional theory	comparison of US and Japanese accounting firm in terms of national culture and ethical climates
Parboteeah & Kapp 2008	PB08	4	i	safety	safety climate	relation of ethical climate type and safety-enhancing behaviors
Pareek 1992/1994	PA94	6.9	i	not specified	organizational culture organizational learning	develops instrument to measure organizational ethos in terms of values (both ethical and non-ethical)

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Peterson 2002a	PE02a	4	i	unethical workplace behavior	theory on unethical behavior in the workplace	investigates relation between ethical climate dimensions and types of deviant behavior
Peterson2002b	PE02b	4	i	deviant workplace behavior	theory on deviant behavior in the workplace	investigates relation between ethical climate and types of deviant behavior
Petrick & Manning 1990	PM90	2	d	leadership	Stevens´ theory of organizational development	propose to develop an organization's ethical climate for superior productivity based on managing human resources with integrity
Petrick & Pullins 1992	PP92	2	d	extra-organizational (the macro or sociocultural level), intra-organizational (the molar or organizational level), and individual (the micro or personal level).	cognitive moral developmental theory	contains the findings of a survey concerning the role of HRM in organizational ethics development
Petrick & Wagley 1992	PW92	2	d	strategic planning and development moral leadership	theories of capitalism types of contracts organizational theories	identifies, creates, and coordinates conceptual models and practical steps managers can use to develop responsible strategic management skills
Power 1979	PO79	1	me	not included	not included	not included
Power 1986	PO86	1	me	i: moral judgment d: moral action	---	describes moral atmosphere in a large public high school
Power, Higgins & Kohlberg 1989	PHK89	1	me	i: organizational structure d: individual outcomes (for instance, moral performance)	culture and climate theory sociological theory of Tönnies	describes the state of the art of moral atmosphere theory and research
Power & Makogon 1995	PM95	1	i	moral action	ethic of care	emphasizes the role of care in the just community approach while abandoning the moral atmosphere concept.

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Power & Reimer 1978	PR78	1	me	i: moral judgment d: moral action	Rest's theory of components of morality	describes moral atmosphere as the educational bridge between moral judgment and moral action
Rasmussen, Malloy & Agarwal 2003	RMA03	4	d	type of organization	bureaucracy theory; theory on governmental and nonprofit organizations	insight in differences and similarities between governmental and nonprofit organizations
Rego 2002	RE02	4	i	organizational citizenship behaviors	organizational citizenship behavior theory	shows how five ethical climates types explain four organizational citizenship behaviors
Reidenbach & Robin 1991	RR91	2	d	top management; the reinforcing effect of the organization's success in problem solving and achieving objectives; environmental factors (threats and opportunities); the organization's history and mission, including founders and their values; industry;	no specific connectivities, apart from stakeholder theory	corporations exhibit specific behavior that signal their true level of moral development; the authors identify five levels of moral development and discuss the dynamics that move corporations from one level to another
Reimer 1977	RE77	1		not included	not included	not included
Reimer & Power 1980	RP80	1	me	i: moral judgment d: moral action	---	describes moral atmosphere as the educational bridge between moral judgment and moral action
Rosenblatt & Peled 2002	RP02	4	d	types parental commitment, influence, trust	commitment theory trust theory	explores relations between ethical climate and types of parental involvement
Ross & Robertson 2000	RR00	7	i	lying to clients, customers, own company	person-situation interaction framework theory; lying, Machiavellianism	positive ethical climate reduces willingness to lie and Machiavellianism among sales force

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Rothwell & Baldwin 2006	RB06	4	i	whistle- blowing and code of silence	whistle-blowing theory	examines the relationship between ethical climate and whistle-blowing in the police force in the US state of Georgia
Rothwell & Baldwin 2007	RB07	4	i	whistle- blowing and code of silence	whistle-blowing theory	examines the relationship between ethical climate and whistle-blowing in the police force in the US state of Georgia
Roy 2009	ROY09	4	mo	moral intensity (i) individual ethical decision making (d)	moral intensity theory (Jones 1991)	found that ethical climate did not moderate between moral intensity and decision-making within the public sector
Ruppel & Harrington 2000	RH00	4	i	trust, communication, innovation and commitment	trust theory	examines the effect of trust and its antecedents, corporate climate and communication on commitment and innovativeness of organization
Sagnak 1999	SAG99	-	---	not included	not included	not included
Saini & Martin 2009	SM09	4	i	risk-taking propensity (d) marketing output control (d) firm performance (d) ownership structure (mo)	risk-performance theory ownership	found significant impact of egoistic and benevolent ethical climate and marketing output control on a firm's risk-taking propensity; found also that risk-taking propensity is stronger associated with firm performance in privately held firms than in publicly traded firms
Scharf 1971	SCH71	1	---	not included	not included	not included
Scharf 1973	SCH73	1	i	moral reasoning	theory of the prison	analyzes the moral reasoning and perceptions of inmates in a youth reformatory of the moral atmosphere and suggests interventions
Schluter, Winch, Holzhauser & Henderson 2008	SWH08	6.5	i	moral distress turnover + nurse shortage poor health care quality	moral sensitivity theory moral distress theory	examined the effects of unresolved moral distress and poor ethical climate on nurse turnover, (and nurse shortage and poor healthcare quality)

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Schminke, Ambrose & Neubaum 2005	SAN05	4	d	leadership organizational age	ethical leadership theory Rest's DIT	examines effect of leader moral development on the organization's ethical climate and employee job satisfaction and commitment
Schminke, Arnaud & Kuenzi 2007	SAK07	4	i	(un)ethical behavior, citizenship behavior	Rest's moral theory (components of morality)	examines the power of ethical work climates in addition to legislation
Schnake et al 2005	SDF05	7	d	i: unethical faculty behavior d: cheating behavior d: student retention	cheating behavior social learning theory	results suggest that student cheating behavior may be an important predictor of student perceptions of the overall ethical climate of their university
Schrader 2004	SCH04	1	i	moral and epistemological development	intellectual safety	focuses on the conditions for learning in safety: a classroom that has a moral atmosphere and an epistemological fit between teacher and student
Schulte, Brown & Wise 1991	SBW91	6.8	d	leadership; persons at the top of the organization and their exemplary behavior	educational ethics	develops Ethical Climate Index for graduate and professional school programs
Schulte 2001	SC01a	6.8	i	retention of students	---	investigated graduate student and faculty perceptions of the ethical climate related to the retention of students
Schulte et al 2001	SC01b	6.8	me	retention of students (d) positions and major areas (i)	---	examined faculty and student perceptions of the ethical climate its perceived importance in the retention of undergraduate students
Schulte et al 2002	SC02	6.8	?	---	---	develops School Ethical Climate Index for middle and high schools
Schulte et al 2003	SC03	6.8	d	i: school level (middle/high) i: gender i: position	(school climate; school community; ethics of care)	investigates the sense of community at a district's middle and high schools
Schwepker 2001	SCH01	6.7	i	job satisfaction, organizational commitment, turnover intention	theory on job satisfaction, organizational commitment, turnover intention	examines the relationship of ethical climate to job satisfaction, organizational commitment, and turnover intention among salespeople

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Schwepker, Ferrell & Ingram 1997	SFI97	6.7	i	role stress/role conflict	role stress theory	examines the relationship between ethical climate, ethical conflict, and role conflict in the sales force
Schwepker & Good 1999	SG99	6.7	mo	perceived quota difficulty and moral judgment consequences for not making quota; self-efficacy market attractiveness	selling performance theory (including self-efficacy)	examines the relationship between perceived quota difficulty and moral judgment, moderated by ethical climate and consequences for not making quota
Schwepker & Good 2007	SG07	6.7	i	ethical attitudes of sales managers mediating in employing and training an ethical sales force	sales force performance literature	examines the influence of sales management on employment and training in developing an ethical sales force; finding that ethical climate influences ethical attitudes of sales managers
Schwepker & Hartline 2005	SH05	6.7	me	a: enforcement of codes discussion of ethics punishment for violations c: attitudinal responses (role conflict; role ambiguity, job satisfaction, commitment to service quality)	job satisfaction theory commitment theory theory on punishment theory on ethical codes theory in service quality	examines the ethical climate of customer-contact service employees from the perspective of marketing control.; code internalization and perceived ethical climate serve as social and cultural control mechanism that enhance attitudinal responses
Seligson & Choi 2006	S&C06	7	i	leadership; occurrence of misconduct; report of misconduct; satisfaction pressure to compromise ethical standards	theory of ethics training	examines and formulates critical elements of an organizational culture
Shafer 2008	SH08	4	i	d: decision-making i: personal ethical orientation	ethical decision-making; ethical orientations	examines the influence of ethical climate in local and inter-national CPA firms operating in China on decision-making
Shafer 2009	SH09	4	i	organizational professional conflict affective organizational commitment	commitment theory professional-organization relation	examines the effects of the ethical climate in Chinese CPA firms on auditors' perceptions of organizational-professional conflict (OPC) and affective organizational commitment (OC); tested

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						for differences in the perceived ethical climates of local and international CPA firms.
Shapira-Lishchinsky & Rosenblatt 2010	SLR10	4	i	work absence and affective organizational commitment	organizational commitment (including Meyer & Allen)	links school ethical climate with teachers' voluntary absence while using the concept of affective organizational commitment as mediator
Shirey 2005	SHI05	6.5	me	i: supportive leadership d: job satisfaction, increased optimism, enhanced employee fit, and diminished staff moral outrage; retention	leadership health care ethics	discusses the leader's role in ensuring congruence between caring missions and caring practices; presents components of ethical climate and strategies to create a positive ethical climate
Silverman 2000	SIL00	7	d?	unspecified structures and processes	health care ethics/bioethics system theory	combination of organizational ethics in health care organization and health care ethics through ethical climate promoting integrity
Sims & Kroeck 1994	SK94	4	i	employee satisfaction, commitment, and turnover	person-situation fit	examines the influence of ethical fit and climate types on employee satisfaction, commitment, turnover
Sims & Keon 1997	SK97	4	i	employee satisfaction and turnover intention	person-organization fit	examines relationship between ethical climate and the development of person-organization fit
Sims 1992	SIM92	4	d	firm size, type of industry, scarcity of resources, dynamic environment; leadership	unethical or illegal behavior	stresses the importance of ethical climate and offers suggestions for creating and maintaining an ethically-oriented culture.
Sims & Brinkmann 2002	SB02	4	me	unethical behavior (d); leadership behavior (i)	leadership	case description of the relationship between ethical climate, emphasizes leaders as moral models
Sinclair 1993	SIN93	7	me	d: (un)ethical behavior and organizational performance i: structure/external pressure	culture theory	assesses the potential of organizational culture as a means for improving ethics in organizations

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Singhapakdi 1993	SIP93	7	i	Machiavellianism	Machiavellianism	aspects of ethical perception are related to the interaction between of Machiavellianism and organizational ethical culture
Small 2006	SMA06	7	d	CEOs behavior formal training programs formal mechanisms	military ethics organizational theory	examine three organizations (naval shore, police academy, small firm) to see to whether they had an ethical and socially responsive culture
Smith 2006	SMI06	7	i	individual attitudes, behaviors and decision-making	---	introduces ethical climate/ethical culture and offers suggestions for intervention
Smith, Thompson & Iacovou 2009	STI09	4	i	withholding and misrepresentation of information	upward communication in organizations; defensive communication	examined impact of ethical climate on project status misreporting; self-interest climate is associated with more misreporting
*Snell 1993	SN93	3	i/me	culture leadership learning	leadership theory organizational learning	Kohlberg based moral ethos typology, questions to identify moral ethos, management ethics education curriculum
Snell 2000	SN00	3	me	leadership industry characteristics outside legislation	organizational learning hidden curriculum leadership	Kohlberg based organizational moral ethos OME) typology; additional Stage 3/4 ethos type; identifying five subsystems of OME
Snell 2001	SN01	3	i	learning organization	organizational learning	using the "just community" concept as a foundation for organizational learning
Snell, Chak & Taylor 1996	SCT96	3	i	organizational member conduct ethics training	organizational learning	refining of Moral Ethos Questionnaire; moral ethos profile concept (MEP); no effect of MEP on manager' ethical reasoning
Snell, Taylor, Chu & Drummond 1999	STC99	3	i	--- (instrument evaluation)	Chinese culture	comparison of Moral Climate Questionnaire and Moral Ethos Questionnaire ; teaching Kohlbergian concepts to Chinese students
Snell & Tseng 2001	ST01	3	d	in-company propagation of moral ideology (i)	Chinese culture	qualitative study in seven Chinese companies to identify organizational moral atmosphere and effects of propagation

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Snell & Tseng 2002	ST02	3	d	in-company propagation of moral ideology (i)	Chinese culture, political ideology and legal system	qualitative study in seven Chinese companies to identify organizational moral atmosphere and effects of propagation
Sridhar & Camburn 1993	SC93	2	?	---	Boulding's general systems theory organizational learning	argues that a better understanding of organizational ethical behavior is contingent upon viewing organizations as symbol processing systems of shared language and meanings; organizations pass through Kohlberg like stages in the face of ethical crises
Stewart et al 2010	SV10	7	mo	turnover intentions (d) diversity climate (i)	diversity theory turnover theory	examines the interactive effects of diversity and ethical climate on turnover intentions, ethical climate found to moderate the diversity climate-turnover intention relationship
*Stone & Henry 2003	SH03	4	d	ethical environment	theory of reasoned action	identification of ethical climate types in IT organizations; **distinction of workgroup and organizational locus of analysis**
Stoner 1989	STO89	7	i?	employee behavior	theories of organizational culture (notably: Schein)	proposes measures to build a moral organizational culture
Sweeney, Arnold & Pierce 2010	SAP10	7	i	dysfunctional behaviors of auditors/accountants	Rest's four component model dysfunctional behavior types issue-contingency model	examine impact of perceived ethical culture and demographic variables on auditors' ethical evaluation and intention to act decisions
Taylor & Walker 1997	TW97	1	i	moral reasoning socio-metric status	disequilibrium theory	emphasizes social/contextual factors mediating cognitive processes in moral development: socio-metric status and moral climate
Teen, Teo & Lander 2009	TTL09	7	d	external events leadership	---	examine how workers in Asia-Pacific organizations perceive ethics within their organization related to organizational and employee demographics
*Tenbrunsel, Smith-Crowe & Umphress 2003	TSU03	7	i/mo	formal and informal communication, surveillance, and sanctioning systems	institutional theory and embeddedness (e.g., Granovetter, 1985)	ethical infrastructure consisting of formal and informal elements and organizational climates for ethics, respect, and justice

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Treviño 1986	TR86	5.1	mo	ethical/unethical behavior individual moderators stage of moral development	social learning theory cognitive moral development theory	proposes interactionist model of ethical decision making in organizations combining individual and situational variables based on Kohlberg's CMD
Treviño 1990	TR90	5.1	i	(un)ethical behavior environmental factors	culture theory	presents a cultural perspective on developing and changing ethical behavior in organizations; culture is an interplay of formal and informal systems that can support either ethical or unethical behavior; gives directions for moral climate intervention
Treviño 1992	TR92	5.1	i?	(un)ethical behavior	CMD research	reviews Kohlberg's theory of CMD, highlights moral reasoning research relevant to business ethics; discusses implications for business ethics research, higher education, and management of (un)ethical behavior
Treviño, Butterfield & McCabe 1998	TBM98	4+5.1	i	organizational commitment and observed unethical behavior (d).	culture theory; unethical decision-making; commitment	examines issues of convergence and divergence between ethical climate and ethical culture through factor analysis and correlational analysis
Treviño & Nelson 1995	TN95	5.1	i	(un)ethical behavior environmental factors	culture theory	presents a cultural perspective on developing and changing ethical behavior in work organizations; culture is an interplay of formal and informal systems that can support either ethical or unethical behavior; gives directions for moral climate intervention
Treviño & Nelson 2007	TN07	5.1	i	(un)ethical behavior environmental factors	culture theory	presents a cultural perspective on developing and changing ethical behavior in work organizations; culture is an interplay of formal and informal systems that can support either ethical or unethical behavior; gives directions for moral climate intervention
Treviño & Weaver 2003	TW03	4+5.1	i	organizational commitment and observed unethical behavior (d).	culture theory; unethical decision-making; commitment	examines issues of convergence and divergence between ethical climate and ethical culture through factor analysis and correlational analysis

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Tsahuridu 2004	TS04	4	me? (d/i)	organizational form (cause) degree of moral autonomy and ethical behavior both inside and **outside** the organization (effect)	anomy theory and personal ethical ideology Ouchi's typology of organizations	reports of Australian research examining morally autonomous, heteronomous and anomous decisions related to ethical climate
Tsai & Huang 2008	TH08	4	i	facets of job satisfaction components of commitment	job satisfaction theory organizational commitment theory	examines the relationship between ethical climate types, job satisfaction, and organizational commitment among nurses in Taiwan
Ulrich, O'Donnell, Taylor et al 2007	UO07	6.5	i	ethics stress job satisfaction turnover intention	ethics stress theory job satisfaction theory turnover intention theory	describes how nurses and social workers view the ethical climate in which they work, including the degree of ethics stress, and the adequacy of organizational resources to address ethical issues
Upchurch 1993	UP93	4	i	not included	not included	not included
Upchurch & Ruhland 1995	UR95	4	i	leadership style and types of ethical decision-making	leadership theory and hospitality theory	ethical climate and leadership relationship in lodging operations shown to be multidimensional
Upchurch & Ruhland 1996	UR96	4	i	leadership style and types of ethical decision-making	leadership theory and hospitality theory	ethical climate and leadership relationship in lodging operations shown to be multidimensional
Upchurch 1998	UP98	4	i	organizations with hospitality as their main feature	hospitality theory	investigated both ethical criterion and locus of analysis part of the V&C model, finding benevolence as the primary ethical precept
*Vaicys, Barnett & Brown 1996	VBB96	4	i	individual ethical decision-making	individual ethical decision-making (cognitive moral development)	provides additional empirical evidence concerning the factor structure of the Ethical Climate Questionnaire
*VanSandt 2001	VS01	4	i	moral awareness	theory on moral awareness/ moral sensitivity /moral perception	establish a theoretical connection between ethical work climate as a social/organizational influence and moral awareness

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
*VanSandt, Shepard & Zappe 2006	VSZ06	4	i	moral awareness	theory on moral awareness/ moral sensitivity /moral perception	establish a theoretical connection between ethical work climate as a social/organizational influence and moral awareness
Vardi 2001	VAR01	4	i	misconduct at work	theories on unethical, unproductive and antisocial behavior; misbehavior	examines effects of ethical climate on misconduct at work
Venezia & Gallano 2008	VG08	4	d	national culture background	Taiwanese and Filipino culture	examined differences between the Filipino and Taiwanese accountants on the perceived work climate value.
Verbeke, Ouwerkerk & Peelen 1996	VOP96	7	i/me	dimensions of organization (competition, control system) and personality	Machiavellianism	ethical climate affects sales force decision-making and can be influenced by management
Verbos et al 2007	VGF07	7	i	organizational identity living code	organizational identity theory person-organization fit authentic leadership attraction-selection-attrition organizational learning	formulates features a positive ethical organization, including an ethical organizational culture
Verschoor 2004	VER04	7	i(?)	leadership	ethical codes	shows possibilities to identify the ethical climate from an internal auditing position
Verschoor 2005	VER05	7	i(?)	leadership	---	summarizes ethics surveys and emphasizes the importance of a strong ethical culture
Victor & Cullen 1987	VC87	4	i (?)	effect of codes	climate theory; Kohlbergian theory	presents a conceptual model and empirical identification of ethical climate within organizations and a measurement instrument
Victor & Cullen 1988	VC88	4	d	sociocultural environment (including social norms, organization form, organization-specific history	climate theory; Kohlbergian theory; organization theory bureaucracy theory	presents evidence that ethical climates are multidimensional and multi-determined and vary within organizations

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
				(including socialization processes, tenure, reorganizations)	transaction cost theory	
Victor & Cullen 1990 (reprint of VC87)	VC90	4	i	effect of codes	climate theory; Kohlbergian theory	presents a conceptual model and empirical identification of ethical climate within organizations and a measurement instrument
Vitell & Davis 1990	VD90	7	i	job satisfaction; sense of social responsibility	job satisfaction	found positive relationship between high ethical climate and high job satisfaction for MIS Systems professionals
Vitell, Rallapalli & Singhapakdi 1993	VRS93	7	i	marketing norms idealism/realism	personal moral philosophies	examined and found influence of personal moral philosophies and ethical climate on norms of marketers
Waring 2004a	WA04A	7	i	outcome variables: damage claims, complaints, long-time injuries, sick leave, turnover	---	examines relation between ethical climate and outcome variables in a city government setting
Waring 2004b	WA04b	7	i	outcome variables: damage claims, complaints, long-time injuries, sick leave	---	examines relation between ethical climate and outcome variables in a city government setting
Waters & Bird 1987	WB87	7	i	ethical behavior	theories of organizational structure (Mintzberg)	examines the moral stress of managers caused by the lack of concrete guidance provided by managerial moral standards and the ambiguity of the expectations they create; give suggestions for effectively managing the moral dimension of an organization's culture
*Webber 2007	WEB07	4	---	libraries	information and librarian ethics	discusses modifications proposed to enhance the Ethical Climate Typology and Ethical Climate Questionnaire
*Weber 1995	WE95	4	d	departmental tasks; stakeholder relationships	organizational theory (Thompson on structure and tasks); stakeholder theory	explains subclimates, within an organization as influenced by departmental tasks and stakeholder relationships

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Weber & Seger 2002	WES02	4	d i	caused by departmental tasks; stakeholder relationships causes subclimates	organization theory (concerning structure and tasks); stakeholder theory	replication of Weber's 1995 research finding that subclimates are determined by the strength of the overall ethical climate
Weber, Kurke & Pentico 2003	WKP03	4	i	theft and other forms of unethical employee behavior	theft/unethical behavior	investigated relations between ethical climate and employee theft
Weber & Gerde 2010	WG10	4	d	organizational influences (i) and environmental uncertainty (i) task characteristics and interdependence	military ethics moral intensity theory environmental uncertainty theory	examined the predominant ethical work climates among military units; found that certain organizational influences (organizational role and mission, and environmental uncertainty) are associated with the specific ethical work climates
Weeks, Loe, Chonko & Wakefield 2004	WLC04	6.7	i	commitment to quality organizational commitment performance	service quality theory commitment theory performance theory	examined the relationship of perceived ethical climate to individual commitment to quality, organizational commitment, and performance among business-to-business salespeople
Weeks, Loe, Chonko, Martinez & Wakefield 2006	WLC06	6.7	i	commitment to quality organizational commitment performance cognitive moral development national culture	service quality theory commitment theory performance theory national culture (Hofstede) cognitive moral development theory (Defining Issues Test)	found consistency in a positive significant relationship between ethical climate and individual commitment to quality, and organizational commitment and salesperson performance across US and Mexican samples; cognitive moral developmental level influences climate perception
Wimbush 1991	WIM91	4	---	not available; not included	not included	not included
Wimbush & Shepard 1991	WS91	4	d	leadership (un)ethical behavior	(un)ethical behavior	examines supervisory influence on ethical climate and subordinate behavior; tests and reformulates the Victor and Cullen typology
Wimbush & Shepard 1994	WS94	4	d	leadership (un)ethical behavior	(un)ethical behavior	examines supervisory influence on ethical climate and subordinate behavior; tests and reformulates the Victor and Cullen typology

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Wimbush, Shepard & Markham 1997a	WS97a	4	d i	determined by forms of organizational governance and control determines (un)ethical behavior	organizational task-setting	determined whether the ethical climate dimensions identified by Victor and Cullen could be replicated in the organizational subunits, and if so, were the dimensions associated with particular types of operating units; a new dimension of ethical climate related to service was identified; partial support was found for the hypothesis that certain ethical climate dimensions are associated with specific forms of organizational governance and control
Wimbush, Shepard & Markham 1997b	WS97b	4	i	(un)ethical behavior	(un)ethical behavior	tested the relationship between the ethical climate dimensions (Victor& Cullen and ethical behavior at different levels of analysis
Wingreen 2003	WIN03	7	---	not included	not included	not included
Wittmer & Coursey 1996	WC96	4	d	sector differences	public versus private organizations	examines sector differences related to ethical work climates among top managers in private and public organizations
Wong 2005	WO05	4	i	personal justice norms and organizational commitment	(procedural) justice theory organizational commitment theory	examined the influence of ethical climate on a person's cognitive and affective states (personal justice norms and organizational commitment
Woodbine 2006	WOB06	4	i/d	Chinese political culture job satisfaction	job satisfaction theory	investigates relation between ethical climate types and job satisfaction in Chinese financial institutions (favoring rules climate)
Woodstock Theological Center 1990	WO90	6.1	d?	leadership; environment	leadership; environment	summary of discussions among executives, academics, and religious leaders about ethical issues; checklist for promoting moral climate
Wotruba, Chonko & Loe 2001	WCL01	6.7	d	ethical codes as antecedent	codes of ethics theory	discuss the role of ethical climate related to the perceived usefulness of ethics codes

reference	code	section	type of variable	other variables	connectivities	summary statement of main contribution (including purpose and relevance)
Wyld & Jones 1997	WJ97	4	i	individual moral decision-making	ethical decision-making theories	examines the role of environmental factors in individual ethical decision-making and proposes a research agenda
Zipparo 2000	ZIP00	7	me	i: leadership and management behavior; organizational features; communication about ethics d: work relationships, turnover, job satisfaction, team dynamics, commitment, ethical stress and tolerance of unethical practices, trust and respect to leadership; perceptions about values in the workplace; effectiveness and efficiency	ethics theory (e.g. integrity and honesty)	reports findings of the ICAC's ethical culture survey and gives suggestions for building an ethical organization

APPENDIX 4 Moral climate evaluation and intervention

This appendix summarizes the *evaluative* and the *interventional* issues in about 300 publications.

- ***Moral climate evaluation***

As was introduced in chapter 1 and discussed in the chapters 3 and 4, moral climate can be evaluated according to two types of criteria, labeled the troublesome twin:

- a *moral developmental* criterion – climate N +1 is morally better than climate N -, and
- a *pragmatic contingency* criterion - the moral climate profile or configuration of an organization (or its formal or informal subsystem) should fit its tasks and assignments in order for the organization to survive (as necessary moral competence and moral performance alike).

For each contribution, it has been determined whether and how moral climate evaluation has been taken place, and whether the conflicting relationship between the two types of criteria has been recognized and properly dealt with. Some authors simply use the term "more moral" as the criterion for moral climate evaluation, whereas others do not use any criterion for moral climate evaluation. Still other authors simply referred to some fit between moral climate and stage of moral reasoning among the workforce, or to some other fit other than from contingency criteria.

These possibilities are indicated as follows:

MD moral developmental criterion
PC pragmatic contingency criterion
MM more moral (including more positive, more ethical, higher in ethics)
EF ethical fit
NE no evaluation of moral climate

It can be expected that those publications that rely on Kohlberg's theory of individual cognitive moral development, the moral developmental criterion is used. In those publications having climate or culture theory as their point of department, a more functionally oriented evaluative stance can be expected, though not especially in terms of a contingency theory or a configurational approach, but simply in terms of some fit. Some authors do offer a clear evaluative criterion, but mention two criteria, for the most part rather implicitly. These scores are marked with a question mark.

- ***Moral climate intervention***

Moral climate intervention proposals cannot but reflect positions in the system-action debate. In many cases, the choice is made for intervening at the people level, thus applying a new, if possible, advanced personnel concept. Ethics training, management development, introducing and implementing a code ethics, employee selection, socialization, and appraisal are interventions often mentioned. Less often, alternative more desired behaviors are listed, for instance exemplary management behavior, improvement of communication, concrete guidance, focusing on ethical issues, and concern for employees. However, it is not always clear, whom behaviors are expected of and who is responsible for initiating and monitoring them. Rarely, apart from changing procedures and policies, interventions in the structural or strategic concept of the organization are chosen. These categories of moral climate intervention are listed using the following codes:

(1) HR-instruments

MAD management development
ESE employee selection
ESI employee introduction
ESO employee socialization
EAP employee appraisal
ERE employee rewarding (including promoting)
EPD employee punishment and discipline (in case of violating of ethics standards)
ETR ethics training

(2) Desired behaviors (cultural interventions)

EMB exemplary management behavior (including delegation of decision-making)
IOC improvement of communication (about ethical issues)
COG concrete guidance (in reducing unethical behavior)
FEI focusing on ethical issues
CFE concern/care for employees (including offering a supportive work environment)

(3) Strategic and structural interventions

COE code of ethics (and other types of ethical regulation, for instance, safety guidelines, compliance manuals, and mission statements)

OEA organizational ethical appraisal (audits, internal, and external monitoring)
EAR ethics advocate role (including ethics officer, ethics committee, and whistle-blowing systems)
POD policy development, implementation and evaluation
EGV evaluation of organizational goals and values
EPS evaluation of organizational products and services
ORS organizational restructuring
JOB job description

Only one author, Jackall (1984) emphasizes the need for external influences from the public domain. Nowhere, an integral approach is favored in which a variety of coherent interventions is implemented in order to arrive at moral climate change (or maintaining/preservation, which is also an option of intervention, of course).
Because of their functional orientation, many contributions to moral climate theory offer suggestions to make moral climate more functional and sometimes, to develop it to the next stage. In line with the findings of Wilkins and Dyer (1988) (discussed in chapter 3), it may be expected that proposals for moral climate intervention are neither climate-sensitive (concerning the actual moral climate) nor climate-specific (concerning the desired moral climate), but of a more generic "one size fits all" type, to be coded as follows:

CS climate sensitive and/or climate specific / CN climate neutral ("one size fits all").

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Acharya 2005	AC05	4	MM	ETR; POD; COE; EPD	CN
Agarwal & Malloy 1999	AM99	4	MD(?)+ PC	EGV; EPS; POD (mainly implicitly mentioned)	CN
Ambrose, Arnaud & Schminke 2007	AAS07	4	EF	ESE; COG; IOC; FEI; MAD; COE; POD	CN
Ampofo et al 2004	AMC04	5.2	MM	ETR; COE; POD; ERE; EPD	CN
Ampofo 2005	AM05	5	not included	not included	---
Andreoli & Lefkowitz 2008	AL08	7	MM	COE; MAD	CN
Appelbaum, Deguire & Lay 2005	ADL05	4	MM	MAD+ESE; ERE; EPD	CN
Aquino 1998	AQ98	7	MM	---	---
Ardichvili, Mitchell & Jondle 2008	AMJ08	7	MM	---	---
Armstrong, Kusama & Sweeny 1999	AKS99	-	not included	not included	---
Armstrong & Frances 2008	AF08	4	MM	COE; ETR; EAR	CN
Arnaud 2006	AR06	-	not included	not included	---
Arnaud & Schminke 2006	AS06	4	MM (more positive)	---	---
Arnaud & Schminke 2007	AS07	4	MM	ETR; COG; IOC; MAD	CN
Arruda & Navran 2000	AN00	6.4	EF	ETR; EAR	CN
Babin, Boles & Robin 2000	BBR00	6.3	MM	ETR (?); ERE (?)	CN
Bahcecik & Oztürk 2003	BO03	6.5	MM	MAD; ETR; EMB; FEI; IOC; POD; COE	CN
Banning 1997	BAN97	7	MM (in terms of principles and values)	IOC; FEI; CFE	CN
Barnett & Schubert 2002	BS02	4	NE	---	---
Barnett & Vaicys 2000	BV00	4	MM	COG; POD; FEI	CS
Bartels, Harrick, Martell & Strickland 1998	BH98	4	MM	ETR; COE; EAR	CN
Bassett 2009	BAS09	7	MM (more ethical)	EMB; IOC; ETR; POD; EAR; EAP; COE; FEI; WGV; EPS + participation in broader policy discussions and industry associations	CN
Bell 2003	BE03	7	MM	COE; EAR	CN
Beu & Buckley 2004	BB04	7	MM	COE ; MAD	CN

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Bline, Cullinan & Farrar 2008	BCF08	4	MM /PC	---	--
Bourne & Snead 1999	BS99	4	NE	---	---
Brief, Dukerich, Brown and Brett 1996	BDB96	7	MM	COE; ETR; ESO; ERE; MAD	CN
Brower & Shrader 2000	BS00	4	PC?	ETR; IOC; FEI	CN
Brown & Treviño 2006	BT06	5.1	MM	EMB; MAD; ETR; ESE; ESO; EAP; JOB	CN
Brugman 1994	BR94	1	MM/ (MD?)	ETR; FEI; COG; IOC; EMB EGV/POD; OEA	CS
Brugman, Høst et 1994	BH94	1	MM /(MD?) (more positive)	ETR; FEI; COG; IOC; EMB EGV/POD ; OEA	CS
Brugman et al 2003	BHB03	1	MM/MD (more positive or healthy)	ETR; FEI; IOC; EMB	CS
Buchan 2005	BU05	4	NE	---	---
Bulutlar & Oz 2008	BO08	4	MM	MAD	CN
Caldwell & Moberg 2007	CM07	7	MM	POD; ERE; IOC	CN
Carroll 1993	CA93	7	MM	ETR; MAD; ERE; COE; ESE; EPD; EAR	CN
Chen, Sawyers & Williams 1997	CSW97	7	MM	EMB; CFE; IOC; EAP; ERE; ETR; POD; ESO	CN
Cockerell & Armstrong 1999	CA99	4	not included	not included	---
Cohen 1993	CH93	6.2	MM	ETR; ESO; ERE; COE; EAR; FEI; POD; EGV; ORS	CS
Cohen 1995	CH95	6.2	MM/PC	ORS; EGV; POD; EPS; COE; EAR; FEI; IOC	CS
Cohen 1998	CH98	6.2	MM/PC	---	---
Collier 1998	CL98	7	MM	IOC; FEI	CN
Colquitt, Noe & Jackson 2002	CNJ02	6.6	MM (more just)	MAD; ETR; COG; EMB	CN
Conine & Rowden 2006	CR06	4	MM (more positive)	COE; FEI; COG; EMB; ETR; POD	CN
Corley, Minick, Elswick & Jacobs 2005	CM05	7	MM	ETR (empowerment)	CN
Cullen, Parboteeah & Victor 2003	CPV03	4	MM (benevolent climates favored)	---	---
Cullen, Victor & Bronson 1993	CVB93	4	NE	---	---
Cullen, Victor & Stephens 1989	CVS89	4	PC/EF	COE; ETR; EMB; ESE; ESO; EAP+ERE (monitoring); COG	CS
DeConinck & Lewis 1997	DCL97	4	NE	COG; COE	CN

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Dempster, Freakley & Parry 2001	DFP01	7	NE	---	---
Deshpande 1996b	D96b	4	NE (MM)	COE; POD; ESE; ERE; CFE	CN
Deshpande 1996a	D96a	4	NE (MM)	COE; ETR, ESE; ERE	CN
Deshpande, George & Joseph 2000	DGJ00	4	NE (MM)	EMB; COE; ETR	CS
Deshpande & Joseph 2008	DJ08	4	NE (MM)	ESE; ESO; ERE; EPD	CN
Deshpande, Joseph & Shu 2010	DJS10	4	NE (MM)	COE; ETR; EAR; OEA	CN
Dickson, Smith, Grojean & Ehrhart 2001	DS01	4	EF (congruent with leaders values)	COE; ESE; ESO; ETR; MAD	CS
Dorosamy 2010	DOR10	7	MM (more ethical) PC	EMB; + implicitly: COE; FEI; ETR; MAD; ESE; EAP/EPD	CN
Dorsch, Swanson & Kelley 1998	DSK98	4	NE	---	---
Douglas, Davison & Schwartz 2001	DDS01	7	MM	COE; ETR	CN
Drumm 2000	DRU00	7	MM (in terms of values)	COE; ETR; EMB; FEI; IOC	CN
Duh & Belak 2009	DB09	4	NE	---	---
Duh, Belak & Milfelner 2010	DBM10	4	EF (caring climate)	---	---
Dursun 2004	DU04	4	MM (caring climate; increase of fairness)	ETR	CN
Ede & Legosz 2002	EL02	7	NE	---	---
Ehrhart 2004	EH04	6.6	MM	EMB; ERE; CFE; ORS	CN
Elçi & Alpkan 2008	EA08	4	MM	COE; EMB; IOC; ERE; ETR; FEI	CS
Elm 1989	EL89	-	not included	not included	---
Elm & Nichols 1993	EN93	4	MD	---	---
Ells, Downie & Kenny 2002	EDK02	7	MM	EAR; IOC; FEI; POD; EGV; EPS	CN
Engelbrecht, van Aswegen Theron 2005	EAT05	4	MM	ESE + ERE (of management); MAD + ETR; COE	CN
English 2008	ENG08	7	MM (more robust) PC?	---	---
Erakovich, Bruce & Wyman 2002	EBW02	4	MD?/MM/PC?	---	---
Erben & Güneşer 2007	EG07	4	MM	EMB; COG; ETR; ESE	CN
Erondu, Sharland & Okpara 2004	ESO04	4	MM	ETR	CN

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Federwisch 2007	FED07	7	MM (more ethical)	COE; EMB; IOC; ETR; EAR; FEI; POD; EGV; EPS; ERE	CN
Ferrell, Johnston & Ferrell 2007	FJF07	6.7	EF	ESE; ESO; ERE; EAP; EMB; POD; COG; FEI; ETR	CN
Ferrell, Leclair & Ferrell 1997	FLF97	7	MM	POD; EPS; EAR; MD	CN
Filipova 2009	FIL09	4	NE	IOC; FEI; EMB; EAP; EAR; ETR; ESE; ERE; COE	CS
Flannery & May 2000	FM02	4	MM	FEI; POD	CN
Fleming 1985	FL85	7	MM	POD COE ETR IOC EAR MAD ESE ESI ESO FEI ORS	CN
Forte 2004a	FO04a	4	MD	ETR; MAD; COE; POD; ESE; ESI; ESO; FEI	CN
Forte 2004b	FO04b	4	MD	ETR; MAD; COE; POD; ESE; ESI; ESO; FEI	CN
Freire 2000	FRE00	4	MM (increased job satisfaction)	---	---
Fritzsche 2000	FRI00	4	NE	---	---
Gaertner 1991	GA91	4	MM (away from instrumental climate)	---	---
Gebler 2006	GE06	7	MM (in terms of levels of values)	unspecified programs	CS
Goldman & Tabak 2010	GT10	4	MM/EF?	ETR	CN
Gonzalez-Padron, Hult & Calantone 2008	GHC08	7	NE	---	---
Grojean, Resick, Dickson & Smith 2004	GR04	4	MM (?)	MAD; ORS; POD; COG; EPS; EMB; ESE; ESO; ERE; ETR	CN
Grover & Enz 2005	GE05	7	MM	EMB; MAD; COG; COE; EPD/ERE?	CN
Hamric & Blackhall 2007	HB07	6.5	NE	IOC	---
Hart 2004	HA04	6.5	not included	not included	---
Hart 2005	HA05	6.5	MM	JOB; CFE; ETR	---
Herndon 1991	HE91	-	not included	not included	---
Herndon, Ferrell, LeClair & Ferrell 1999	HFLF99	-	not included	not included	---
Herndon, Fraedrich & Yeh 2001	HFY01	7	MM	COG	CN
Higgins 1995	HIG95	1	MD; PC?	ORS; EGV; POD; EMB; MAD; ETR; IOC; FEI; COG	CS
Higgins & Gordon 1985/1986	HG86	1	MD	ORS; EGV; POD; OEA; ETR	CS
Higgins, Power & Kohlberg 1984	HPK84	1	MD	EMB; ETR/MAD; EGV; POD	CS

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Hoffman 1998	HO98	7	MM/EF	---	---
Høst, Brugman et al 1998	HB98	1	MM/MD	ETR; FEI; COG; IOC; OEA; EMB+MAD ; EGV/POD	CS
Hoover 2007	HOO07	-	not included	not included	---
Ingram, LaForge & Schwepker 2007	ILS07	6.7	MM (higher levels of ethical climate)	COE; ETR; FEI; IOC; ESE; ESO; ERE; EAP; CFE; MAD	CS?
Jackall 1984	JA84	7	NE (PC)	---	---
Jaffe & Tsimerman 2005	JT05	4	MM	COE; ETR	CN
Jaramillo, Mulki & Solomon 2006	JMS06	6.7	MM	FEI; COG; IOC; COE	CN
Jobim & de Arruda 2004	JDA04	6.7	EF	ETR; EAR; FEI	CN
Jones, Felps & Bigley 2007	JFB07	6.10	MM	---	---
Joseph & Deshpande 1997	JD97	4	NE (MM)	---	---
Kaptein 2008	KA08	5.3	MM	ETR; COE; EAR	CN
Kaptein 2009	KA09	5.5	MM	COE; ETR; EAR; OEA; ESE; EAP; ERE; EPD; POD	CS
Keiser& Schulte 2007	KS07	6.8	MM (more positive)	FEI; COG; CFE; IOC; EMB; POD	CN
Keiser & Schulte 2007	KS09	6.8	MM (more positive)	POD; CFE; EGV; FEI; IOC; EMB; COG	CN
Kelley & Dorsch 1991	KD91	4	NE	---	---
Kennedy, Ferrell & LeClair 2001	KFL01	4	MM/PC (favoring caring orientation)	ETR; ESE; EAP	CS
Kerns 2003	KE03	7	MM (more virtuous)	COE; ESE; ESO; EMB; EAP; CFE	CN
Key 1999	KEY99	5.2	MM	---	---
Kim & Miller 2008	KM08	4	MM	CFE; POD; COE	CN
Kish-Gephart, Harrison & Treviño 2010	KHT10	4+5.1	MM	ETR; ESE; FEI; COG; IOC EMB; ERE; COE	CN
Kitapçi & Elçi 2007	KE07	4	NE (MM?/EF?)	POD (promote quality culture)	CN
Koh & Boo 2001	KB01	4	MM (more positive)	MAD; ETR; COE; IOC; FEI; ESO	CN
Kohlberg 1970 (1983)	KO70	1	MD	ETR; MAD; EMB	CS
Kohlberg 1980	KO80	1	MD	ETR; EMB; MAD; EGV; POD; ORS	CS
Kohlberg 1981b (1979)	KO81b	1	MD	EMB; ETR/MAD; POD; EGV; ORS	CS

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Kohlberg 1984	KO84	1	MD	---	CS
Kohlberg, Scharf & Hickey 1971	KSH71	1	MD	ETR; FEI; COG; IOC; POD; ORS; EGV; EMB/MAD	CS
Kohlberg, Kauffman, Scharf & Hickey, 1975	KK75	1	MD	ETR; FEI; COG; IOC; POD; ORS; EGV; EMB/MAD	CS
Kohlberg, Levine & Hewer 1983	KLH83	1	MD	ETR; MAD; EMB; EGV; POD; ORS	CS
Kohlberg 1984 (reprint of KLH83)	KO84	1	MD	ETR; MAD; EMB; EGV; POD; ORS	CS
Kohlberg 1986a	KO86a	1	MD	EMB; ETR/MAD; EGV; POD	CS
Kohlberg & Higgins 1987	KH87	1	MD	EMB; ETR/MAD; EGV; POD; ORS; CFE	CS
Lavoie & Culbert 1978	LAC78	2	MD	ORS; ETR	CS
Lemke 1994	LEM94	4	PC	---	---
Lemmergaard 2004	LMG04	4	NE (MM/PC)	IOC; EMB; COG; ERE; EAR; EPD; ORS; ESE; ESO; ETR	CN
Lemmergaard & Lauridsen 2008	LL08	4	NE	---	---
Lending & Slaughter 2001	LS01	4	NE/MM	ETR?	---
Leung 2008	LEU08	4	MM	COE; ETR; FEI; IOC	CN
Liao & Rupp 2005	LR05	6.6	MM	IOC; EMB; ERE; CFE; POD	CN
Loch & Conger 1996	LOC96	4	NE	COG; POD; ETR	CN
Loe 1996	LOE96	6.7	not included	not included	---
Loe & Ferrell 1997	LOF97	6.7	MM	---	---
Logsdon & Yuthas 1997	LY97	2	MD	OEA; ERE; POD; ESO; ETR; EAP; ORS; EGV	CN
Lovell 1995	LO95	1	MD (higher levels of moral reasoning)/PC	FEI; IOC; COE	CS
Luthar, DiBattista & Gautschi 1997	LDG97	7	---	ETR	CN
McDaniel 1997	MD97	7	NE	OEA	--
McKendall & Wagner 1997	MKW97	7	NE	ETR; COE; IOC; POD; FEI; ORS	CN
McKenna 1993	MCK93	-	not included	not included	---
Mackin 1984	MAC84	1	not included	not included	---
Maclagan 1996	ML96	7	MD	ETR; COE	CS

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Maesschalck 2004	MAE04	4	PC	COE; ETR; ESE; ESI; ESO; EAP; ERE	CN
Maesschalck 2005	MAE05	4	NE	---	---
Malloy & Taylor 1999	MT99	4	MM (principled sports ethics)	ETR	CN
Malloy & Agarwal 2001a	MA01a	4	NE	---	---
Malloy & Agarwal 2001b	MA01b	4	MM	MAD; ESE; COE	CN
Malloy & Agarwal 2003	MA03	4	MM	ESE; MAD; IOC; FEI; COE	CN
Malloy, Agarwal & Rasmussen 2008	MAR08	4	MM / PC(?)	IOC; EPS + POD	CN
Maon, Lindgreen & Swaen 2010	MLS10	2	MM/MD (?)/PC(?)	no interventions, though change needs to be stage-specific	CS
Martin & Cullen 2006	MC06	4	NE	---	---
Maul 1979	MAU79	1	not included	not included	---
Maul 1980	MAU80	1	MD	IOC; ETR; FEI; COG; EMB; POD; EGV?	CS
Mayer, Kuenzi & Greenbaum 2009	MKG09	4	---	---	---
Menzel 1993	ME93	7	MM/PC?	---	---
Mirvis & Googins 2006	MG06	2	MD/MM (no specific criterion)	---	---
Morris 1997	MO97	4	MM	---	---
Morris et al 2002	MS02	7	MM	COE; EAR; ETR; EPD; FEI; IOC; ERE; EMB	---
Mossholder, Bennett & Martin 1998	MBM98	6.6	MM (more just)	IOC; FEI; COG; COE; MAD; ETR; CFE; EAP	---
Mulki, Jaramillo & Locander 2006	MJL06	6.7	MM	FEI; COG; IOC; COE	CN
Mulki, Jaramillo & Locander 2007	MJL07	6.7	MM	IOC; FEI; COE; EMB; POD	CN
Mulki, Jaramillo & Locander 2008	MJL08	6.7	NE/MM	IOC; FEI; COG; EMB; EPD	CN
Murphy 1989	MUR89	7	MM	COE; ETR; POD	CN
Musiime, Ntayi & Samuel 2009	MTS09	7	MM (favorable/ unfavorable	---	---
Nakhaee, Mobasher & Garoosi 2008	NMG08	?	not included	not included	---
Naumann & Bennett 2000	NB00	6.6	MM (more just)	EMB; ESE; ESO	CN
Near, Baucus & Micelli 1993	NBM93	7	MM	IOC	CN

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Nelson & Donnellan 2009	ND09	7	MM (more ethical)	EMB; IOC; COG; FEI; COE; POD; EGV; EPS; MAD; ETR; ESE; EAP; ERE; EPD; EAR	CN
Neubaum, Mitchell & Schminke 2004	NMS04	4	NE	---	---
Newton, Wingreen & Blanton 2004	NWB04	7	EF	---	---
Nwachukwu & Vitell 1997	NV97	7	MM	COE	--
Ogbonna 2002	OG02	-	not included	not included	--
O'Grady Harvey 2001	OG01	-	not included	not included	---
Okpara 2002	OK02	4	MM (professional climate)	ETR; COE; POD; ESE; ERE	CN
Okpara & Wynn 2008	OW08	4	MM	EMB; ERE; EPD; CFE; COE	CN
Olson 1995	OL95	6.5	MM	POD; ETR; EAR; IOC; FEI	CN
Olson 1995d	OL95d	6	not included	not included	---
Olson 1998	OL98	6.5	MM	---	---
Olson 2002	OL02	6.5	MM	---	---
Oracle Financial Services Software Limited 2009	OR09	7	MM (more ethical) PC (fitting tasks)	ETR; COE; EMB; ESE; EAP; ERE; EAR; POD	CN
Parboteeah & Cullen 2003	PC03	4	MM	MAD; ERE; ETR	CS
Parboteeah, Cullen, Victor & Sakano 2005	PC05	4	NE	---	---
Parboteeah & Kapp 2008	PB08	4	MM	ORS; COE	CS
Pareek 1992/1994	PA94	6.9	MM (in terms of values)	OEA	CN
Peterson 2002a	PE02a	4	MM	COE	CN
Peterson 2002b	PE02b	4	MM	CFE; ESO; MAD; ETR; ESI	CN
Petrick & Manning 1990	PM90	2	MD/EF with quality and participation	COE; COG; OEA; MAD; EGV; EPS; EAR; ETR; EMB	CN
Petrick & Pullins 1992	PP92	2	MD	EMB; COE; EAR; ETR; OEA; EAP; EPD	CN
Petrick & Wagley 1992	PW92	2	MD	ETR; OEA; MAD; EAR	CN
Power 1979	PO79	1	not included	not included	---
Power 1986	PO86	1	MD	EMB; ETR/MAD; EGV; POD	CS

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Power, Higgins & Kohlberg 1989	PHK89	1	MD; PC?	EMB; ETR/MAD; ORS; EGV; POD	CS
Power & Makogon 1995	PM95	1	MD	EGV; POD; ORS; EMB/MAD ETR; IOC; FEI; COG	CS
Power & Reimer 1978	PR78	1	MD	ETR; IOC; FEI; EMB; MAD	CS
Rasmussen, Malloy & Agarwal 2003	RMA03	4	MM/ PC (?)	POD; EPS	CN
Rego 2002	RE02	4	MM	---	---
Reidenbach & Robin 1991	RR91	2	MD/PC	COE?; ESE; ESI; ERE (only in higher stages)	CS
Reimer 1977	RE77	1	not included	not included	---
Reimer & Power 1980	RP80	1	MD/PC?	ETR; IOC; FEI; EMB; MAD; COG	CS
Rosenblatt & Peled 2002	RP02	4	MM	---	---
Ross & Robertson 2000	RR00	7	MM	ERE; IOG; COG	---
Rothwell & Baldwin 2006	RB06	4	MM	EAR; ORS; IOC; ETR; ERE; MAD; ESE; COE	CS
Rothwell & Baldwin 2007	RB07	4	MM	EAR; ORS; IOC; ETR; ERE; MAD; ESE; COE	CS
Roy 2009	ROY09	4	MM	information not available	---
Ruppel & Harrington 2000	RH00	4	MM	CFE	CN
Sagnak 1999	SAG99	-	not included	not included	---
Saini & Martin 2009	SM09	4	NE/EF (prevent risk-taking in benevolent organizations)	POD	CS
Scharf 1971	SCH71	1	not included	not included	---
Scharf 1973	SCH73	1	MD	ETR; FEI; COG; IOC; POD/EGV	CS
Schluter, Winch et al 2008	SWH08	6.5	NE	IOC; ETR	CN
Schminke, Ambrose & Neubaum 2005	SAN05	4	MM	---	---
Schminke, Arnaud & Kuenzi 2007	SAK07	4	MM	ETR (differentiated according to components of morality); MAD	CN
Schnake, Dumler & Fredenberger 2005	SDF05	7	MM	---	---
Schrader 2004	SCH04	1	MD	FEI; COG; IOC; ETR; EMB; POD/EGV(?)	CN
Schulte, Brown & Wise 1991	SBW91	6.8	MM (more positive)	---	---

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Schulte 2001	SC01a	6.8	MM (more moral)	unknown	---
Schulte et al 2001	SC01b	6.8	MM (more positive)	---	---
Schulte et al 2002	SC02	6.8	MM (more positive)	---	---
Schulte et al 2003	SC03	6.8	MM (more positive)	ETR; FEI; IOC; COG; CFE; ORS; POD	CN
Schwepker 2001	SCH01	6.7	MM/EF	COE; IOC; POD; EMB; EPD; ESO	CN
Schwepker, Ferrell & Ingram 1997	SFI97	6.7	EF	ESE; ESO; ETR; COE	CN
Schwepker & Good 1999	SG99	6.7	EF	EPD; COE; POD	CN
Schwepker & Good 2007	SG07	6.7	MM/EF	ESE; ETR; MAD; ERE; EPD; COE; EMB	CN
Schwepker & Hartline 2005	SH05	6.7	MM/EF	COE; EPD; COG; ESO; IOC; FEI; EAP; ESE; ETR; POD	CN
Seligson & Choi 2006	S&C06	7	MM (strong/weak ethical culture)	EMB; ETR; IOC; FEI; COG	CN
Shafer 2008	SH08	4	MM (benevolent cosmopolitan climate)	EMB; FEI; COG; IOC	CN
Shafer 2009	SH09	4	MM (benevolent cosmopolitan climate)	COE (regulatory interventions)	CN
Shapira-Lishchinsky & Rosenblatt 2010	SLR10	4	MM (formal or caring climate)	CFE; COE	CN
Shirey 2005	SHI05	6.5	MM (values based)	COE; EMB; MAD; OEA; ESE: EAP; ETR; ERE; EAR	CN
Silverman 2000	SIL00	7	MM	EGV; EPS; POD; FEI; COE; IOC; ERE; ETR; EAR; MAD	CN
Sims & Kroeck 1994	SK94	4	MM; EF	---	CN
Sims & Keon 1997	SK97	4	MM; EF	ESI	CN
Sims 1992	SIM92	4	MM	EMB; FEI; COG; IOC; COE; EGV; EAP; ERE	CN
Sims & Brinkmann 2002	SB02	4	MM	ESE (of leaders); MAD; FEI	CN
Sinclair 1993	SIN93	7	MM/PC	---	---
Singhapakdi 1993	SIP93	7	MM	ETR; COE; POD	CN
Small 2006	SMA06	7	MM (in terms of values and principles)	ETR; MAD; COE; EAR; ERE; EPD; EMB	CN
Smith 2006	SMI06	7	EF	COE; ETR; POD; EAP; ERE	CN
Smith, Thompson & Iacovou 2009	STI09	4	MM (move away from self-interest)	COE; EPD; EGV; EPS; OEA	CN
Snell 1993	SN93	3	MD	ETR+MAD	CN

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Snell 2000	SN00	3	MD	ETR ; MAD	CN
Snell 2001	SN01	3	MD	ETR; MAD	CN
Snell, Chak & Taylor 1996	SCT96	3	MD	ETR; MAD	CN
Snell, Taylor, Chu & Drummond 1999	STC99	3	MD	---	---
Snell & Tseng 2001	ST01	3	MM	---	---
Snell & Tseng 2002	ST02	3	MM	---	---
Sridhar & Camburn 1993	SC93	2	MD	ETR; ERE; IOC	CS?
Stewart et al 2010	SV10	7	MM (higher on ethics)	COG; IOC; EMB; POD; FEI	CN
Stone & Henry 2003	SH03	4	NE	---	---
Stoner 1989	STO89	7	MM	COE; ETR; EMB; FEI; OIC; ESI; ERE; EPD; EAP; ERA	---
Sweeney, Arnold & Pierce 2010	SAP10	7	MM	EMB; IOC; FEI	---
Taylor & Walker 1997	TW97	1	MD	ETR (+FEI; COG; IOC; EMB)	CS
Teen, Teo & Lander 2009	TTL09	7	MM	EMB; COE; MAD; POD; ETR; ESE; ERE; EAR	CN
Tenbrunsel, Smith-Crowe Umphress 2003	TSU03	7	MM	COE; ETR; EAR; ORS	---
Treviño 1986	TR86	5.1	MM (MD?)	COE; ERE; EPD; EMB; MAD; JOB	CN
Treviño 1990	TR90	5.1	MM/PC	OEA; EAR; ORS; JOB; EMB; EAP; MAD; ETR; FEI; IOC; COG; ERE/EPD; ESI; ESO; COE	CN
Treviño 1992	TR92	5.1	MD	ETR; JOB; ORS; POD	---
Treviño, Butterfield & McCabe 1998	TBM98;	4+5.1	MM	EMB; COE; ERE; EPD; COG; CFE	CN
Treviño & Nelson 1995	TN95	5.1	MM/PC	OEA; EAR; ORS; JOB; EMB; EAP; MAD; ETR; FEI; IOC; COG; ERE/EPD; ESI; ESO; COE	CN
Treviño & Nelson 2007	TN07	5.1	MM/PC	OEA; EAR; ORS; EMB; JOB; EAP; MAD; ETR; ERE/EPD COE; ESI; ESO; COG; FEI; IOC; **ESE**	CN
Treviño & Weaver 2003	TW03	4+5.1	NE (MM)	---	---
Tsahuridu 2004	TS04	4	MM (caring)	CFE	CS

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Tsai & Huang 2008	TH08	4	EF/MM	IOC; FEI; COE; ETR; EAR	CN
Ulrich, O'Donnell, Taylor et al 2007	UO07	6.5	MM (more positive)	ethics support (EAR, ETR, FEI, IOC, COE?).	CN
Upchurch 1993	UP93	4	not included	not included	---
Upchurch & Ruhland 1995	UR95	4	PC (caring environment)	ETR; FEI; IOC	CS
Upchurch & Ruhland 1996	UR96	4	PC (caring environment)	ETR; FEI; IOC	CS
Upchurch 1998	UP98	4	PC (caring environment)	ETR; COG; FEI; IOC	CS
Vaicys, Barnett & Brown 1996	VBB96	4	NE	---	---
VanSandt 2001	VS01	4	MM /(MD implicit?)	---	---
VanSandt, Shepard & Zappe 2006	VSZ06	4	MM/(MD implicit?)	---	---
Vardi 2001	VAR01	4	MM (positive climates)	unspecified HR instruments; COE	CN
Venezia & Gallano 2008	VG08	4	NE	---	---
Verbeke, Ouwerkerk & Peelen 1996	VOP96	7	MM	MAD; IOC; ERE; POD	CN
Verbos et al 2007	VGF07	7	MM	EMB; MAD; ESE; ESO; ERE; EPD; COE; COG; FEI	CN
Verschoor 2004	VER04	7	MM (more ethical)	COE; MAD; EAR: FEI; EGV; EPS; POD; ETR	CN
Verschoor 2005	VER05	7	MM (stronger in ethics)	EMB; ETR; COE; EAR	CN
Victor & Cullen 1987	VC87	4	NE (implicit: PC)	ETR; ESE; MAD; ERE/EAP (monitoring)	CS
Victor & Cullen 1988	VC88	4	NE (implicit: PC)	---	---
Victor & Cullen 1990 (reprint of VC87)	VC90	4	NE (implicit: PC)	ETR; ESE; MAD; ERE/EAP (monitoring)	CS
Vitell & Davis 1990	VD90	7	MM	FEI; COG	CN
Vitell, Rallapalli & Singhapakdi 1993	VRS93	7	MM	---	---
Waring 2004a	WA04a	7	MM (PC?)	ETR	CN
Waring 2004b	WA04b	7	MM (PC?)	---	---
Waters & Bird 1987	WB87	7	MM	EMB; FEI; IOC; COG	CN
Webber 2007	WEB07	4	NE	---	---
Weber 1995	WE95	4	MD	---	---

reference	code	section	criteria for moral climate evaluation	moral climate intervention theory and method	
Weber & Seger 2002	WES02	4	MD	---	---
Weber, Kurke & Pentico 2003	WKP03	4	MD	---	---
Weber & Gerde 2010	WG10	4	EF (fit of task and ethical climate)	IOC; FEI; ETR	CS
Weeks, Loe, Chonko & Wakefield 2004	WLC04	6.7	MM	COG + COE; EMB; ETR; FEI	CN
Weeks, Loe, Chonko et al 2006	WLC06	6.7	MM	COG + COE; ETR	CN
Wimbush 1991	WIM91	4	not included	not included	---
Wimbush & Shepard 1991	WS91	4	MM	MAD	---
Wimbush & Shepard 1994	WS94	4	MM	MAD	---
Wimbush, Shepard & Markham 1997a	WS97a	4	MM	POD	---
Wimbush, Shepard & Markham 1997b	WS97b	4	MM	---	---
Wingreen 2003	WIN03	-	not included	not included	---
Wittmer & Coursey 1996	WC96	4	MM (unspecified)	EGV; ESO; COE; IOC; FEI; ETR; POD; ERE; EAP; EPS	CN
Woodbine 2006	WOB06	4	NE(favors rules climate)	---	---
Wong 2005	WO05	4	NE (PC?)	ESE	CS
Woodstock Theological Center 1990	WO90	6.1	MM (values based)	ETR; ESE; ERE; COG; EAR; COE; FEI; IOC; EPD; POD	CN
Wotruba, Chonko & Loe 2001	WCL01	6.7	MM (unspecified)	COE	CN
Wyld & Jones 1997	WJ97	4	PC(?)	COE; ETR	CS?
Zipparo 2000	ZIP00	7	MM	EMB; MAD; COE; ETC; ESE; ERE/EPD/EAP; IOC; POD; CFE	CN